PAN ASIA METALS

2021 Annual Report

Contents

Exploring a Better Future®

This report has been authorised for release by the Board of Directors

Forward Looking Statements

This report prepared by Pan Asia Metals Limited (or "Pan Asia: or "PAM" or "the Company") include forward looking statements. Often, but not always, forward looking statements can generally be identified by the use of forward looking words such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "continue", and "guidance", or other similar words and may include, without limitation, statements regarding plans, strategies and objectives of management, anticipated production or construction commencement dates and expected costs or production outputs. Forward looking statements inherently involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance and achievements to differ materially from any future results, performance or achievements. Relevant factors may include, but are not limited to changes in commodity prices, foreign exchange fluctuations and general economic conditions, increased costs and demand for production inputs, the speculative nature of exploration and project development, including the risks of obtaining necessary licenses and permits and diminishing quantities or grades of reserves, political and social risks, changes to the regulatory framework within which the Company operates or may in the future operate, environmental conditions including extreme weather conditions, recruitment and retention of personnel, industrial relations issues and litigation. Forward looking statements are based on the Company and its management's good faith assumptions relating to the financial, market, regulatory and other relevant environments that will exist and affect the Company's business and operations in the future. The Company does not give any assurance that the assumptions on which forward looking statements are based will prove to be correct, or that the Company's business or operations will not be affected in any material manner by these or other factors not foreseen or foreseeable by the Company or management or beyond the Company's control. Although the Company attempts and has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in forward looking statements, there may be other factors that could cause actual results, performance, achievements or events not to be as anticipated, estimated or intended, and many events are beyond the reasonable control of the Company. Accordingly, readers are cautioned not to place undue reliance on forward looking statements. Forward looking statements in these materials speak only at the date of issue. Subject to any continuing obligations under applicable law or any relevant stock exchange listing rules, in providing this information the Company does not undertake any obligation to publicly update or revise any of the forward-looking statements or to advise of any change in events, conditions or circumstances on which any such statement is based.

Competent Persons Statement

The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves 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 fulltime employee, Director and Shareholder of Pan Asia Metals Limited. Mr Hobby has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken 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. 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.

Khao Soon Tungsten Project JORC Exploration Target

Pan Asia Metals Limited has generated a drill supported Exploration Target of 15-29 million tonnes grading 0.2-0.4% WO_3 as defined under JORC Code (2012). The Exploration Target comprises 4-8 million tonnes grading 0.2-0.4% WO_3 at the Than Pho West prospect, 1-2 million tonnes grading 0.2-0.4% WO_3 at the Than Pho Ridge prospect, 6-12 million tonnes grading 0.1-0.3% WO_3 at the Target 2 prospect, and 4-7 million tonnes grading 0.2-0.4% WO_3 at the Rabbit prospect. Readers are advised that the potential quantity and grade is conceptual in nature, that there has been insufficient exploration to estimate a Mineral Resource and that it is uncertain if further exploration will result in the estimation of a Mineral Resource. Readers are advised to refer to the following ASX releases for details on the Exploration Target:

08/10/2020 Technical Reports for PAM Projects

30/10/2020 Khao Soon Tungsten Project - Drilling Update

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and that all material assumptions and technical parameters continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

Corporate Governance

Pan Asia's Corporate Governance guidelines can be found at: www.panasiametals.com/corporate-governance/

Chairman's & Managing Director's Report

It is with pleasure that I present Pan Asia's second annual report as an ASX listed company.

Paul Lock
Chairman & Managing Director

Pan Asia is a battery and critical metals explorer focusing on opportunities in Asia. In fact, Pan Asia is the only lithium explorer in Southeast Asia with granted exploration licenses and with advanced lithium exploration projects.

Pan Asia's executive directors have been working together in the region for nearly 10 years - we understand it well and we are supported by a Board, administration and exploration teams which also have substantial experience or are from the region.

2021 has been a defining year for Pan Asia, particularly in lithium, although there was strong evidence of growing consumer demand for electric vehicles, particularly in China and Europe, lithium explorers only saw the conclusion to quite a testing period with the confirmation of US President Joe Biden's election win in January 2021 and the subsequent about turn in US electric vehicle and environmental policies. This was a key catalyst for an unbelievable change in investor sentiment for not only lithium explorers, but for battery and critical metal explorers in their entirety. At Pan Asia we believe investor interest will remain strong for the medium term, at least until battery and critical metals supply looks to be satisfying booming demand from the electric vehicle sector.

In January 2021 Pan Asia moved its drill rig from its Khao Soon Tungsten Project, where it has generated a drill supported Exploration Target of 15-29Mt at 0.2-0.4% WO_3 in accordance with JORC (2012), to the Reung Kiet Lithium Project, which is about 30 minutes drive from Phuket in Thailand.

Pan Asia began with 6 exploratory diamond holes at the Bang I Tum Prospect where the program identified tin mineralisation under the old tin mine and an extensive lepidolite pegmatite dyke swarm to the south which is greater than 100m in width, with several good lepidolite pegmatite dyke intersections including 11.3m @ 0.74% Li_2O from 19.2m and 10.7m @ 0.98% Li_2O from 81.8m, before moving the rig several kms to the south to the Reung Kiet Prospect in March where it commenced follow-up drilling of 5 exploratory diamond holes drilled before its ASX listing.

Since beginning in March 2021, Pan Asia completed 39 additional diamond holes at the Reung Kiet Prospect, bringing total meters drilled to over 6,800m as at 31 December 2021. The drilling program at Reung Kiet Prospect continues and Pan Asia has a second rig due to arrive soon, which we expect will initially focus on Reing Kiet Prospect before moving to Bang I Tum Prospect to continue that drilling program. A rig will stay at Reung Kiet Prospect to conduct infill, metallurgical and geotechnical drilling as part of Pan Asia's Feasibility Study work program.

Pan Asia's objective at the Reung Kiet Lithium Project is to generate a Mineral Resource which is sufficient to produce at least 10,000 tonnes per annum of lithium carbonate or lithium hydroxide for at least 10 years, the quantum and duration being sufficient to achieve bank finance, subject to economics. As at writing we believe this is achievable at Reung Kiet Prospect, with the potential for additional resources from the Bang I Tum Prospect. Pan Asia's 10,000tpa target is a starting point, and we believe a reasonably conservative one.

During the year we announced the Kata Thong Geothermal Lithium and Hard Rock Lithium-Tin (Kata Thong) applications, a series of 5 application blocks to the north of Reung Kiet. Two of the five blocks contain geothermal fields, one which abuts a massive lithium enriched granite. The three remaining application blocks also abut the massive lithium enriched granite and have historical tin mines and are highly prospective for lepidolite pegmatites, with lepidolite documented. Kata Thong presents PAM with two options, the potential for geothermal lithium production and the potential to extend hard rock lithium resources.

As Kata Thong is only 35Kms north of the Reung Kiet Lithium Project, there is the potential that any processing plant constructed at Reung Kiet can be shared across the projects, potentially positioning Pan Asia to extend the Reung Kiet project life well beyond 10 years or annual capacity well beyond 10,000 tonnes per annum.

In addition to Kata Thong, Pan Asia has been working on additional lithium prospects further to the north of Kata Thong, as well as in broader Asia. The objective is to position Pan Asia to produce at least 20,000tpa of lithium chemicals, and hopefully more.
Pan Asia enjoys the advantage of being the only lithium explorer with advanced lithium projects in southeast Asia, with its lithium projects located in between Asia's established and emerging lithium ion battery and electric vehicle developers. Thailand is southeast Asia's largest vehicle manufacturer and one of ASEAN's most advanced industrial economies. As a result, Pan Asia's potential lithium chemical production has a market in Thailand as well as broader Asia. Being positioned as Pan Asia is, in an advanced industrial economy in close proximity to battery and vehicle production, there is additional potential to explore potential joint venture opportunities to value add the lithium chemicals it produces, which is a primary objective.

In summary, Pan Asia is uniquely positioned on several fronts and I expect that the benefits of this positioning will start to bear fruit in 2022.

No company or initiative can deliver unless it has good people, whether they be employees, partners or other stakeholders. Driving Pan Asia's success to date are the people that represent the Company on the ground. Pan Asia's core administrative function is located in Bangkok and PAM has permanent geologists and a liaison officer in the field.

Although Thailand has been affected by Covid, and still is, Pan Asia's team managed to continue on a 'business as usual' stance and, except for maintenance, the Company managed to continue drilling for the full year. Supporting Pan Asia's Executives is a strong and aligned Board, dedicated staff and multiple contractors and consultants, all with strong and relevant experience.

To deliver on Pan Asia's objectives stakeholders will see some changes in 2022, with several announcements to this effect already. Pan Asia will be increasing the size of its field team, employing several more geologists, while adding a second drilling rig and possibly a third later in the year. This will allow the Company to accelerate its exploration programs. The trigger for these additions is the Company's success at the Reung Kiet Lithium Project. The Company recently engaged a metallurgical and a chemical consultant to represent it as it begins its metallurgical test work and considers potential process pathways for lithium chemical production. As Pan Asia progresses it will engage additional expertise as required for its feasibility work. The Company has already commenced its Scoping Study and expects its pre-feasibility study to be well progressed by year end. The Company has also started adjusting its exploration portfolio, dropping the less prospective Minter Tungsten Project in Australia and allowing room for more prospective projects to enter the portfolio. Our aim is to secure additional projects with a series of new applications currently being negotiated, we also have several targets in the region that we hope to bring into the portfolio during 2022.

I would like to conclude this report with a discussion about Environmental, Social and Governance (ESG) and Pan Asia's plans. Although governance has been a key theme for some time now, and stakeholder focus on governance continues to strengthen, particularly at the larger end of the market, stakeholder focus on environmental and social credentials is rapidly gaining pace. This is evidenced with a growing number of investment funds, and investors, seeking investment opportunities where environmental and social credentials can be clearly demonstrated.

This trend is also seeing a growing number of consulting firms enter the ESG space and an increase in greenwashing. Since 2014 Pan Asia's executives have been helping communities with primary education through an initiative called The Village Scientist, as well as contributions to healthcare and sport. For 2022 Pan Asia will be planning an ESG push on two fronts with the formalizing of The Village Scientist and the aim of building a not for profit entity with a greater footprint than the areas in which Pan Asia presently conducts its operations. Pan Asia will model The Village Scientist on the highly successful US based Charity Water. On the second front Pan Asia will be adopting an ESG framework based on those provided by the United Nations (UN) and the World Economic Forum (WEF), with Pan Asia's initial framework and focus areas published in this annual report. As the Company develops this framework it will seek to have its results audited. We have decided to adopt the WEF's Stakeholder Capitalism Metrics and to overlay these with those UN Sustainable Development Goals relevant to Pan Asia's operations and stage of development. Our research shows that these are widely accepted and understood, and we think they will be easily audited as well as offering the reader an easy comparison with other companies. This framework will also be a key consideration in Pan Asia's feasibility work and Environment and Social aspects have already been key considerations in Pan Asia's initial metallurgical work and process selection criterium.

I would like to thank all stakeholders for their support in 2021, including Pan Asia's workforce on the ground, the Company's Board, all contractors and consultants, and of course Pan Asia's investors – who have shown an incredible amount of support for the Company's plans and initiatives. I would also like to offer a special thanks to those shareholders and other stakeholders who have offered me and the Company their thoughts and advice – this has been very helpful.

Yours sincerely,

Paul Lock

Operational Report

Pan Asia is focused on building a pipeline of battery and critical metals assets which will be situated at or near the bottom of their peer group cost curves and which preferably provide the Company with the option to move down-stream and value add.

David Hobby
Technical Director & Chief Geologist

During the year Pan Asia continued drilling at several prospects resulting in the completion 7663m of diamond core drilling in 48 holes. Most of this work has been focussed at the Reung Kiet Lithium Project.

The Company's aim is to produce Mineral Resources at its key projects and follow through with various techno-economic studies to assess development potential.

COVID-19

Throughout the year the Company has not experienced any major disruptions to its field activities. The Company has experienced some delays with regard to the assessing and granting of prospecting and exploration license applications. All of the Company's employees and contractors are vaccinated. Travel restrictions have had little impact on the Company's day to day operations.

Licencing

During the period Pan Asia lodged 5 (five) Special Prospecting Licence Applications (SPLA) in the Phang Nga Province in southern Thailand. The Kata Thong Project comprises five new SPLA's that are centred approximately 35km NNE of the Reung Kiet Lithium Project, see PAM ASX announcement 31/08/2021 'Geothermal Li and Hard Rock Li-Sn Initiative'. The Company believes the Kata Thong Project has demonstrated potential for both geothermal and hard-rock lithium +/- Sn/W deposits. Exploration is scheduled to begin in the near term.

The Company also lodged an Exploration Prospecting Licence Application (EPLA 2/2564), which is located immediately southwest, along strike of the Reung Kiet prospect. Drilling at Reung Kiet has defined lithium mineralisation up to the boundary of EPLA 2/2564, see PAM ASX announcement: 27/07/2021 'Quarterly Activities/Appendix 5B Cash Flow Report'.

There have been some minor procedural and Covid related delays in the relevant government agencies with regard to the assessing and granting of prospecting and exploration licence applications. However, the application processes are progressing and the Company is confident that they will be granted in the near term.

Khao Soon Tungsten Project

The Khao Soon Tungsten Project (KSTP) was a significant historical tungsten producer and modern exploration has discovered potentially world class, district scale tungsten mineralisation across numerous prospects. Reconnaissance diamond drilling by Pan Asia has intersected robust widths and WO3 grades associated with strong surface anomalies, from which Exploration Targets have been estimated.

Pan Asia began the 2021 exploration drilling program at KSTP with the final two holes of a 19 hole program being completed in January. This program was undertaken at two prospects, Target 2 (T2) and Than Pho West (TPW). Drilling results from this program were reported during the year in PAM ASX announcements: 15/01/2021 'Khao Soon Tungsten Project Drilling Update'; 24/02/2021 'Strong Results from Khao Soon Tungsten Project'; 29/03/2021 'Drilling Update- Khao Soon Tungsten Project'; and 28/04/2021 'Khao Soon Tungsten Project Drilling Update'.

The T2 prospect within KSTP is defined by a large high tenor, tungsten in soil anomaly about 450m long and 150m wide.

Drilling results confirmed robust near surface WO3 grades exist beneath much of the tungsten in soil anomaly which are generally in-line with grades stated for the Exploration Target. Results for holes drilled to test a deep Induced Polarisation and holes drilled to test laterite hosted WO3 mineralisation west of the soil anomaly tended to downgrade these targets, although further drilling is required due to the wide spaced nature of previous and current drillholes at these targets.

Better drill results from T2 included:

- KSDD024: 13.1m @ 0.51% WO3 from surface, incl. 4.6m @ 0.97% WO3 from 8.5m
- KSDD025: 25.0m @ 0.27% WO3 from surface, incl. 9.5m @ 0.54% WO3 from 13.5m
- KSDD027: 16.5m @ 0.14% WO3 from surface, incl. 3.0m @ 0.38% WO3 from 13.5m

The TPW prospect is defined by a large plus 1km long tungsten in soil anomaly. Drilling at TPW was designed as infill and extensional drilling to previous programs upon which the Exploration Target estimate at TPW is based.

Several sections that were drilled delineated thick zones of near surface mineralisation. Better intersections included:

- KSDD032: 32.9m @ 0.53% WO3 from surface, incl 7.5m @ 1.22% WO3 from 13.6m
- KSDD032: 22.6m @ 0.30% WO3 from 43.6m, incl. 4.5m @ 0.74% WO3 from 60.1m
- KSDD033: 23.4m @ 0.58% WO3 from surface, incl. 13.5m @ 0.75% WO3 from 10m
- KSDD034: 45.8m @ 0.32% WO3 from 2.8m, incl. 15.4m @ 0.57% WO3 from 3.6m
- KSDD036: 27.5m @ 0.38% WO3 from 76.1m, incl. 15.5m @ 0.45% WO3 from 82.0m
- KSDD039: 46.5m @ 0.32% WO3 from 34.4m, incl. 3.5m @ 0.92% WO3 from 74.9m
- KSDD040: 20.1m @ 0.74% WO3 from 48.6m, incl. 5.0m @ 1.1% WO3 from 51.9m

Additional drilling is planned at both T2 and TPW. The estimation of Mineral Resources is contingent upon the results of future drilling and other relevant factors contributing to the Resource estimate.

Reung Kiet Lithium Project

The Reung Kiet Lithium Project (RKLP) is Pan Asia's key project. RKLP is a hard rock project with demonstrated potential for lithium hosted in lepidolite rich pegmatites chiefly composed of quartz, albite, lepidolite with minor cassiterite and tantalite as well as other accessory minerals including some rare earths. Peer feasibility work has demonstrated that lepidolite has the potential to be one of the highest purity sources of battery grade lithium carbonate and lithium hydroxide, that lepidolite is potentially one of the lowest cost sources of lithium carbonate and lithium hydroxide and that lepidolite has one of the lowest capex requirements on a per tonne LCE basis after by-products.

During the year Pan Asia has conducted diamond core drilling at the Bang I Tum (BIT) and the Reung Kiet (RK) lithium prospects, with 963m drilled in 6 holes at BIT and 6570m in 40 holes at RK. The program has been highly successful, with extensive zones of lithium mineralisation encountered, and associated with lepidolite rich pegmatite dyke and vein swarm. At both prospects mineralisation remains open at depth and along strike. Detailed information for holes drilled during the reporting period is contained in PAM ASX announcements.

02/03/2022 Drilling Update- Reung Kiet Lithium Prospect

09/02/2022 Drilling Update - Reung Kiet Lithium Project

07/12/2021 Drilling Update - Reung Kiet Lithium Prospect

03/12/2021 Drilling Update - Reung Kiet Lithium Prospect

28/09/2021 Drilling Update - Reung Kiet Lithium Project

14/09/2021 Drilling Update - Reung Kiet Lithium Prospect

07/09/2021 Thick pegmatites interested Reung Kiet Lithium Prospect

16/08/2021 Reung Kiet Lithium Project Drilling Update

14/07/2021 Double Shift Drilling - Reung Kiet Lithium Project

29/06/2021 Drilling Update - Reung Kiet Lithium Prospect - Thailand

03/05/2021 Reung Kiet Drilling Update

25/03/2021 Drilling update - Reung Kiet Lithium Prospect

23/03/2021 Drilling Update - Bang I Tum Lithium Prospect

01/02/2021 Reung Kiet Lithium Project - Drilling Update

18/01/2021 Drilling commences at Reung Kiet Lithium Project

The (BIT) prospect was a relatively large open cut tin mine. The old pit is about 650m long and up to 125m wide. Mining of the weathered pegmatites extended up to 30m below surface, to the top of hard rock.

The drilling program at Bang I Tum was designed to test beneath the old open cut pit and also along strike to the southwest. Drilling commenced at BIT in January, with three holes drilled into pegmatite targets beneath the old pit and another three holes drilled south-west, 500m along trend from the pit where a swarm of lepidolite pegmatite dykes and veins was located. Better intersections included:

- BTDD005: 11.3m @ 0.74% Li2O from 19.2m
- BTDD006: 10.7m @ 0.98% Li2O from 81.8m

The RK Prospect contains an old pit about 500m long and up to 125m wide. Mining of the weathered pegmatites extended up to 30m below surface, to the top of hard rock. Pan Asia has identified a prospective zone at least 1km long which contains a large swarm of pegmatite dykes and veins up to 100m wide. Individual dykes can be up to 30m wide. More typically dykes and veins range from 10m to 0.1m in width.

Drilling at RK commenced in March and is ongoing. Lithium rich pegmatites have been delineated, extending from surface to about 160m below surface. Mineralisation remains open at depth on many sections, and also along strike to the southwest. Pan Asia is conducting sufficient drilling to enable a Mineral Resource estimation.

Some intersections from RK include:

- RKDD007: 21.8m @ 0.63% Li_2O from 49.5m; incl. 7.7m @ 0.92% Li_2O from 54.8m
- RKDD009: 30.2m @ 0.69% Li_2O from 37.3m; incl. 8.8m @ 0.81% Li_2O from 37.3m
- RKDD014: 11.8m @ 0.84% Li_2O from 133.2m; incl. 5.1m @ 1.11% Li_2O from 135.9m
- RKDD016: 22.1m @ 0.72% Li_2O from surface; incl. 5.3m @ 1.18% Li_2O from 5.3m
- RKDD023: 14.15m @ 0.81% Li_2O from 107.25m, incl. 8.4m @ 1.16% Li_2O from 113m
- RKDD027: 10.6m @ 1.24% Li_2O from 28.3m
- RKDD030: 20.7m @ 0.69% Li_2O from 46.2m

Additional drilling is planned at RK and BIT with the aim of estimating Mineral Resources at both prospects.

Bang Now Lithium Project

The Bang Now Lithium Project (BNLP) is located about 480km WSW of Bangkok and about 60km from Ranong City in the western part of Chumpon Province. Much of the prospect area has been mined for tin using alluvial and soft rock mining methods, mining ended in the 1980's.

Previous work by Pan Asia identified a zone of lepidolite rich pegmatite dykes - this zone is interpreted to be part of a pegmatite dyke swarm. The dykes contained within the swarm have been initially assessed as sparsely spaced and narrow. The prospect is constrained an access is reasonably difficult. The project is under review.

Minter Tungsten Project

In late 2021 the Company made the decision to relinquish the Minter Project Exploration Licence EL8811. This decision was made as Minter was deemed a non-core asset and PAM's management time and funds would be better off deployed elsewhere.

Project Generation

During the period the Company conducted desktop evaluation, technical and related due diligence on several projects in Asia. The Company has not committed to any of these projects.

The Company aims to identify and add critical and battery metal projects to its portfolio which meet certain criteria, particularly the potential to be placed at or near the bottom of the cost curve and preferably with the potential for downstream value adding.

Sustainability Plan

Pan Asia's ESG framework will be modelled on the 21 core metrics outlined by the World Economic Forum (WEF)'s 'Stakeholder Capitalism Metrics', which will in turn be overlaid with the 17 'Sustainable Development Goals' (SGDs) provided by the United Nations (UN).

Underlying these frameworks is PAM's core tenet of Exploring a Better Future.

These words capture what we want to achieve at Pan Asia, and they're echoed by the words of ICMM's Rohitesh Dhawan. When asked about his key message to stakeholders in mining, he answered with three simple words:

"Mining with principles".

Dhawan went on to say, "*(This) is the promise we make to our stakeholders that in the process of mining we will do everything possible to maximise the benefit to society of the operations of mining and the products that are so essential to the lives we lead, and we will minimize the possibility of harm to people and the environment.*" Pan Asia categorically agrees with his statement.

It's worth noting that Pan Asia is not a project operator, so several aspects of the UN and WEF frameworks are not applicable to us at this point in our journey; nor do they relate to broader regional or global goals to which we can contribute, but aren't able to significantly influence. As we grow, our ESG framework and our Sustainability Plan will be refined and updated.

The following graphic combines the UN and WEF frameworks, forming the foundations of Pan Asia's ESG framework:

WEF STAKEHOLDER CAPITALISM METRICS

PEOPLE

Dignity and equality

- Diversity & inclusion (%)
- Pay equality
- Wage level (%)
- Risk for incidents of child, forced or compulsory labour
  Health & Wellbeing
- Health and Safety (%)
- Training provided (#)

PLANET

Climate change

- Greenhouse Gas (GHG) emissions
- TCFD implementation

Nature loss

- Land use and ecological sensitivity
- Fresh water availability
- Water consumption and withdrawal in water-stressed areas

PROSPERITY

Employment and wealth generation

- Absolute number and rate of employment
- Economic Contribution
- Financial investment contribution disclosure

Innovation in better products and services

- Total R&D expenses ($)

Community and social vitality

- Community investment is included within the economic contribution metric (part of EVG&D)
- Total tax paid

GOVERNANCE

Governing Purpose

- Setting purpose

Quality of Governing Body

- Governance body composition

Ethical Behaviour

- Anti-corruption
- Protected ethics advice and reporting mechanisms

Risk and Opportunity Oversight

- Integrating risk and opportunity into business process

UN SUSTAINABLE DEVELOPMENT GOALS

GOAL 1: NO POVERTY
Economic growth must be inclusive to provide sustainable jobs and promote equality.

GOAL 2: ZERO HUNGER
The food and agriculture sector offers key solutions for development, and is central for hunger and poverty eradication.

GOAL 3: GOOD HEALTH AND WELL-BEING
Ensuring healthy lives and promoting the well-being for all at all ages is essential to sustainable development.

GOAL 4: QUALITY EDUCATION
Obtaining a quality education is the foundation to improving people's lives and sustainable development.

GOAL 5: GENDER EQUALITY
Gender equality is not only a fundamental human right, but a necessary foundation for a peaceful, prosperous and sustainable world.

GOAL 6: CLEAN WATER AND SANITATION
Clean, accessible water for all is an essential part of the world we want to live in.

GOAL 7: AFFORDABLE AND CLEAN ENERGY
Energy is central to nearly every major challenge and opportunity.

GOAL 8: DECENT WORK AND ECONOMIC GROWTH
Sustainable economic growth will require societies to create the conditions that allow people to have quality jobs.

GOAL 9: INDUSTRY, INNOVATION, AND INFRASTRUCTURE
Investments in infrastructure are crucial to achieving sustainable development.

GOAL 10: REDUCED INEQUALITIES
To reduce inequalities, policies should be universal in principle, paying attention to the needs of disadvantaged and marginalized populations.

GOAL 11: SUSTAINABLE CITIES AND COMMUNITIES
There needs to be a future in which cities provide opportunities for all, with access to basic services, energy, housing, transportation and more.

GOAL 12: RESPONSIBLE CONSUMPTION AND PRODUCTION
Responsible Production and Consumption

GOAL 13: CLIMATE ACTION
Climate change is a global challenge that affects everyone, everywhere.

GOAL 14: LIFE BELOW WATER
Careful management of this essential global resource is a key feature of a sustainable future.

GOAL 15: LIFE ON LAND
Sustainably manage forests, combat desertification, halt and reverse land degradation, halt biodiversity loss

GOAL 16: PEACE, JUSTICE AND STRONG INSTITUTIONS
Access to justice for all, and building effective, accountable institutions at all levels.

GOAL 17: PARTNERSHIPS
Revitalize the global partnership for sustainable development.

Sustainability Strategy

Pan Asia will build the foundations of our Sustainability Strategy on a philosophy of continuous improvement, with the aim of building an operating environment which is diverse, inclusive, rich in learning and doggedly focused on meeting our objectives, sustainably.

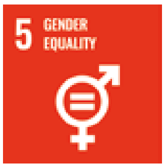
We understand we're not an island, and that we're situated in and around communities. Therefore, we need to focus on delivering outcomes which are inclusive of these communities. There is reciprocity: if the community thrives, we thrive – and vice versa. Pan Asia's Sustainability Strategy will be both inward looking and outward looking, seeking to achieve a financial and humanitarian balance.

Pan Asia is ahead of its direct peer group with its Sustainability Strategy, and our aim is to embed this mindset early, maturing as our projects mature.

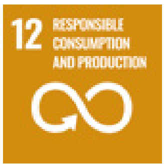
To achieve this, we will be embracing 7 of the UN's 17 SDGs which we believe are realistically actionable by a company of Pan Asia's size.

We'll adopt a primary focus on 3 SDGs:

GOAL 4
QUALITY EDUCATION



GOAL 5
GENDER EQUALITY



GOAL 12
RESPONSIBLE CONSUMPTION AND PRODUCTION.

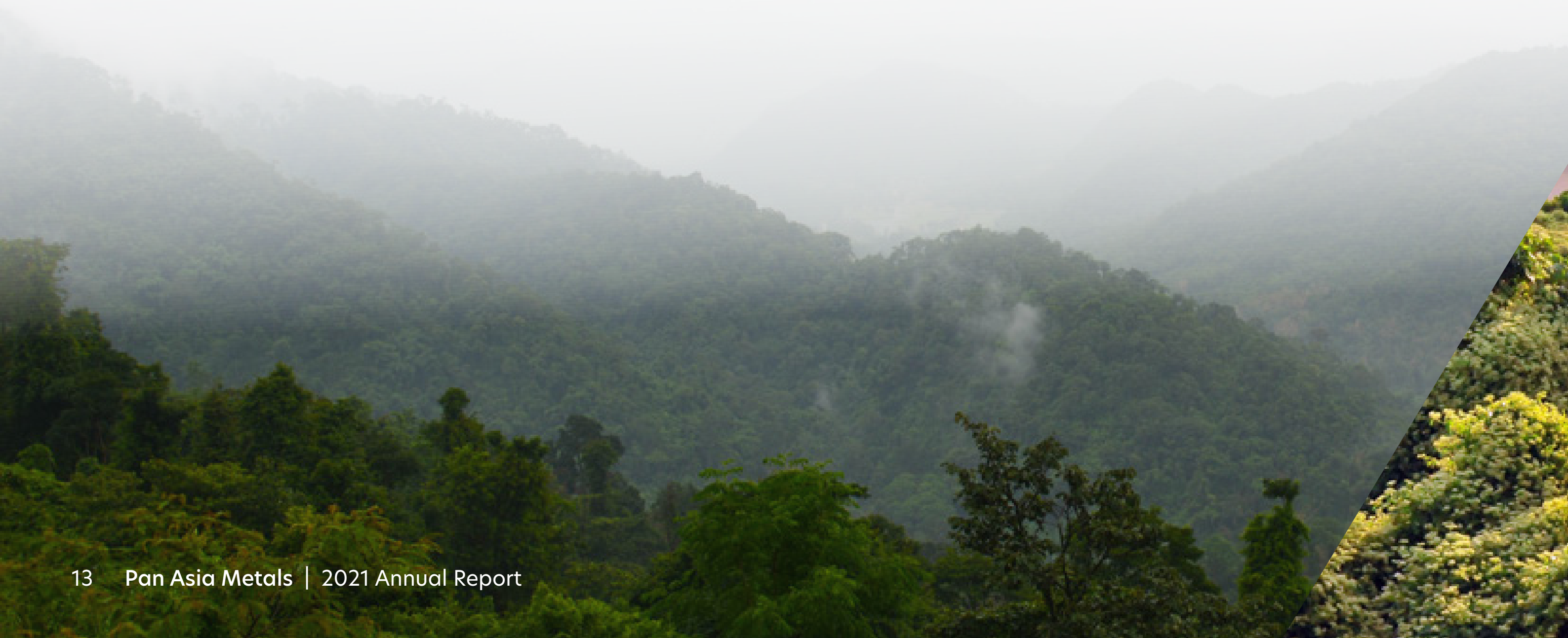
WEF Stakeholder Capitailsim Metrics

PEOPLE

PLANET

PROSPERITY

GOVERNANCE



The remaining 4, being Goal 1 - No Poverty, Goal 6 - Clean Water & Sanitation, Goal 13 - Climate Action, and Goal 15 - Life on Land, will be captured in our general approach to project development and community inclusion. As we successfully build our Sustainability Strategy, and deliver on our SDG goals, we will look to expand our targeted SDGs.

Pan Asia will also be incorporating aspects of the World Economic Forum (WEF)'s Stakeholder Capitalism Metrics (SCMs), of which there are 21 core metrics and disclosures focusing on 4 key pillars: Governance, Planet, People and Prosperity. These metrics and disclosures are the result of the Measuring Stakeholder Capitalism Initiative, which sought to improve the ways in which companies measure and demonstrate their performance against Environmental, Social and Governance (ESG) indicators, and track their positive contributions towards achieving the Sustainable Development Goals (SDGs) on a consistent basis. Pan Asia's 7 target SDGs will initially satisfy the Planet, People and Prosperity pillars, while the Governance pillar will be largely satisfied by our commitment to implement the high standards of corporate governance as outlined in the ASX Corporate Governance Council's 8 'Corporate Governance Principles and Recommendations'.

Pan Asia is developing its Sustainability Strategy. In the short-term, our strategy will focus on addressing sustainability matters which can provide the most immediate and or highest impact returns, of which there may not be too many for a company at our stage of development. The strategy will then look to medium- and longer-term sustainability risks, which will generally be associated with our feasibility studies, and later with project development and operation.

1

People

According to the WEF's Measuring Stakeholder Capitalism Report, *'the value of people can be divided into human capital (e.g. individual knowledge, skills, competencies and attributes) and social capital (e.g. networks, shared norms, values and understanding).'*

People-related achievements are specifically related to 6 of the UN's SDGs: Goal 1 – No Poverty, Goal 3 – Good Health and Wellbeing, Goal 4 – Quality Education, Goal 5 – Gender Equality, Goal 8 – Decent Work and Economic Growth, and Goal 10 – Reduced Inequalities. Pan Asia will focus on Goals 1, 4 and 5, with an emphasis on education and equality.

The WEF's SCM for People have 6 core categories, namely:

1. Diversity and inclusion: Percentage of employees per employee category, age group, gender, ethnicity.

2. Pay equality: Ratio of basic salary and remuneration for categories such as women to men; minor to major ethnic groups.

3. Wage level: Ratio of standard entry-level wage to local minimum wage and ratio of CEOs' total annual compensation to median total annual compensation of all employees.

4. Risk for incidents of child, forced or compulsory labour.

5. Health and Safety: The number and rate of work-related fatalities and injuries.

6. Training provided: Hours of training and average training and development expenditure.

There is a strong correlation between financial performance and gender, ethnic and cultural diversity, with more diverse companies attracting and retaining top talent and being more innovative – as there is a larger pool of candidates to select from. Achieving this requires equal remuneration to help eliminate inequality and poverty, which in turn addresses standard of living issues – and in a worst-case scenario – child, forced or compulsory labour. Skill development contributes to employee satisfaction, which correlates strongly with improved performance.

As a starting point, Pan Asia will be focusing on education and gender equality, ensuring that there are no instances of pay inequality.

2 Planet

According to the WEF's Measuring Stakeholder Capitalism Report, *'As the visibility of business impacts on the planet grows and expectations of corporate responsibility extend along the value chain, the business risk associated with failing to demonstrate a good understanding of and response to environmental impacts is amplified. [Failing] to report effectively … [will allow] third parties to fill the void … with a potentially spurious … and damaging narrative of their own.'*

Planet-related achievements are specifically related to 6 of the UN's SDGs: Goal 6 – No Poverty, Goal 7 – Clean Water and Sanitation, Goal 12 – Responsible Consumption and Production, Goal 13 - Affordable and Clean Energy, Goal 14 – Life Below Water, and Goal 15 – Life on Land. Pan Asia is focusing on Goals 6, 12, 13, and 15, with emphasis on Goal 12, responsible consumption and production.

The WEF's SCM for Planet has 4 core categories, namely:

1. Greenhouse Gas (GHG) emissions: Reported in metric tonnes of CO2, including full value chain where appropriate.

2. Task Force on Climate-Related Financial Disclosures (TCFD) implementation: Disclose commitments to set GHG emissions targets including a timeline of at most 3 years for full implementation.

3. Land use and ecological sensitivity: Number and area of sites owned, leased or managed in or adjacent to protected areas and/or key biodiversity areas.

4. Water consumption and withdrawal in water-stressed areas: Where material, reporting water withdrawn, consumed and the percentage of each in regions with high baseline water stress, including full value chain where appropriate.

As an explorer, Pan Asia's activities are best captured by SDG Goals 6, 12, 13, and 15, with an emphasis on responsible consumption and production. As we move into feasibility, our Environmental Impact Statements and other feasibility requirements will ensure that the above 4 SCMs are addressed.

In 2022, Pan Asia will be focusing on our consumption habits and their effects on these SCMs.

3

Prosperity

The WEF's Measuring Stakeholder Capitalism Report, 'links prosperity with dignity and the fight to end poverty and inequality [via] economic growth built upon decent employment, sustainable livelihoods, rising real incomes ... and Innovation ... to create shared value and shared prosperity and equitable growth based on sustainable production and consumption.'

Prosperity related achievements are specifically related to 4 of the UN's SDGs: Goal 1 – No Poverty, Goal 8 – Decent Work and Economic Growth, Goal 9 – Industry, Innovation and Infrastructure, and Goal 10 – Reduced Inequalities. Pan Asia is focusing on Goal 1.

The WEF's SCM for Prosperity has 6 core categories, namely:

1. Absolute number and rate of employment: Rate of employee turnover and of new employee hires during the reporting period, by age group, gender, other indicators of diversity and region.
2. Economic Contribution: Direct economic value generated and distributed including employee wages and benefits and community investment.
3. Financial investment contribution disclosure: Includes capital expenditures to describe the company's investment strategy and share buybacks + Dividend payments to describe the company's strategy for returns of capital to shareholders.
4. Total R&D expenses: Total costs related to research and development.
5. Community investment as part of economic contribution.
6. Total tax paid: Providing indication of contribution to governmental revenues.

Employment and job creation are key drivers of economic growth, dignity and prosperity. The Prosperity metrics aim to provide a basic indication of a company's capacity to attract diverse talent; employee turnover may indicate employee satisfaction or workplace unfairness. These metrics are related to the "People" pillar but included within "Prosperity" because they capture the degree to which a company is supporting employment within a region. Economic contribution provides a basic indication of how a company has created wealth for stakeholders, its capacity to expand its operations and create additional employment, and its efforts to innovate new products and services fit for the future.

Pan Asia will be focusing on measures such as employee turnover, employee wages and benefits and community investment, which contribute to reduced poverty in and around the communities in which we are located, meeting our SDG Goal 1 of No Poverty.

The Village Scientist

The Village Scientist is a community program being developed by the staff of Pan Asia. Our objective here is to help communities develop an environment conducive to inspired childhood education. This is a grassroots initiative which we hope will grow with the participation of like-minded individuals and companies operating in the Southeast Asia region and elsewhere around the world.

In the name "The Village Scientist" we convey the message that a child can be just about anything he or she wants to be - given the right opportunity. We believe that a country's future lies in the education that its children receive now, and we hope that we can contribute to the prosperity of children, and their communities, by providing them with some of the fundamental tools for a good education. We may achieve this by helping a community build a schoolhouse, purchasing learning materials, books and other equipment, or finding a teacher to help get a community started with its school program.

We believe in the Montessori philosophy of helping children to help themselves. The inspiration for the Village Scientist came when Paul Lock sat on the committee of a Montessori school which his family helped establish, a school which his children attended. Having seen his children enjoy learning in this environment, he would like to help spread this enthusiasm to other children through The Village Scientist program.

4

Governance

According to the WEF's Measuring Stakeholder Capitalism Report, *'Governance is foundational to achieving long-term value by aligning and driving both financial and societal performance, as well as by ensuring accountability and building legitimacy with stakeholders. The Governance pillar establishes foundation-level priorities for reporting that build on [existing] frameworks, it is not intended to replace them.'*

Governance related achievements are specifically related to 3 of the UN's SDGs: Goal 12 – Responsible Production and Consumption, Goal 16 – Peace, Justice and Strong Institutions, Goal 17 – Partnerships. Pan Asia has also allocated Goal 4 – Quality Education and Goal 5 – Gender Equality to Governance, as these are 2 Goals that we believe are essential for good governance.

The WEF's SCM for Governance has 6 core categories, namely:

1. Setting purpose - The company's stated purpose to create value for all stakeholders, the means and solutions to economic, environmental, and social issues.
2. Governance body composition - Composition of the highest governance body and its committees.
3. Material issues impacting stakeholders - Topics material to key stakeholders and the company.
4. Anti-corruption - Percentage of governance body members, employees and business partners who have received training. Total number and nature of incidents of corruption confirmed and related to previous years and current year. Initiatives to improve or combat corruption.
5. Protected ethics advice and reporting mechanisms.
6. Integrating risk and opportunity into business process.

The British Academy states: *"The purpose of business is to solve the problems of people and planet profitably, and not profit from causing problems."* Linking a company's purpose to its core business can deliver long-term value for all stakeholders. Strong governance will instil the confidence to focus on what is material to a company and its stakeholders. Corruption undermines legitimacy and stakeholder trust; it is linked to misallocation of capital, environmental harm, human exploitation and unethical and illegal behaviour.

At Pan Asia, anti-corruption training will offset this. We will always be adhering to the ASX Corporate Governance Council's 8 'Corporate Governance Principles and Recommendations'.

Board of Directors

Paul Lock
Chairman & Managing Director

- Paul has been focused on mineral resources in Southeast Asia since 2013
- Substantial experience in project finance, leveraged finance and corporate advisory
- Commodities trading experience with Marubeni and derivatives trading experience at Rothschild

David Hobby
Technical Director & Chief Geologist

- David is an Economic Geologist with 30+ years experience
- Worked in a variety of geological terrains across Asia, Australia, Argentina, USA and Africa
- Experienced in all facets of the minerals project cycle

Board of Directors

David Docherty - Non-Executive Director

- David's involvement in the resource sector began in London, 1965
- Involvement in the Thai resource sector since 1987
- Managing Director of Mining Finance Corp in 1969
- Founding member of the team who discovered Chatree

Thanasak Chanyapoon - Non-Executive Director

- Thanasak is a Partner at The Capital Law Office, a leading Bangkok based legal practice
- NED of Cal-Comp Electronics in Thailand
- Well established in the Thai business community

Ian Mitchell - Non-Executive Director

- Ian has 30+ years as a Director and/or Company Secretary of listed and non-listed mining, exploration and industrial companies
- Legal expertise in commercial law, contract law and ASIC & ASX compliance

Roger Jackson - Non-Executive Director

- Roger has 25+ years as a Mine Operator, in mine services and/or mineral exploration
- Maintained a geological and mining consulting business for the past 10 years
- Holds several board and executive roles

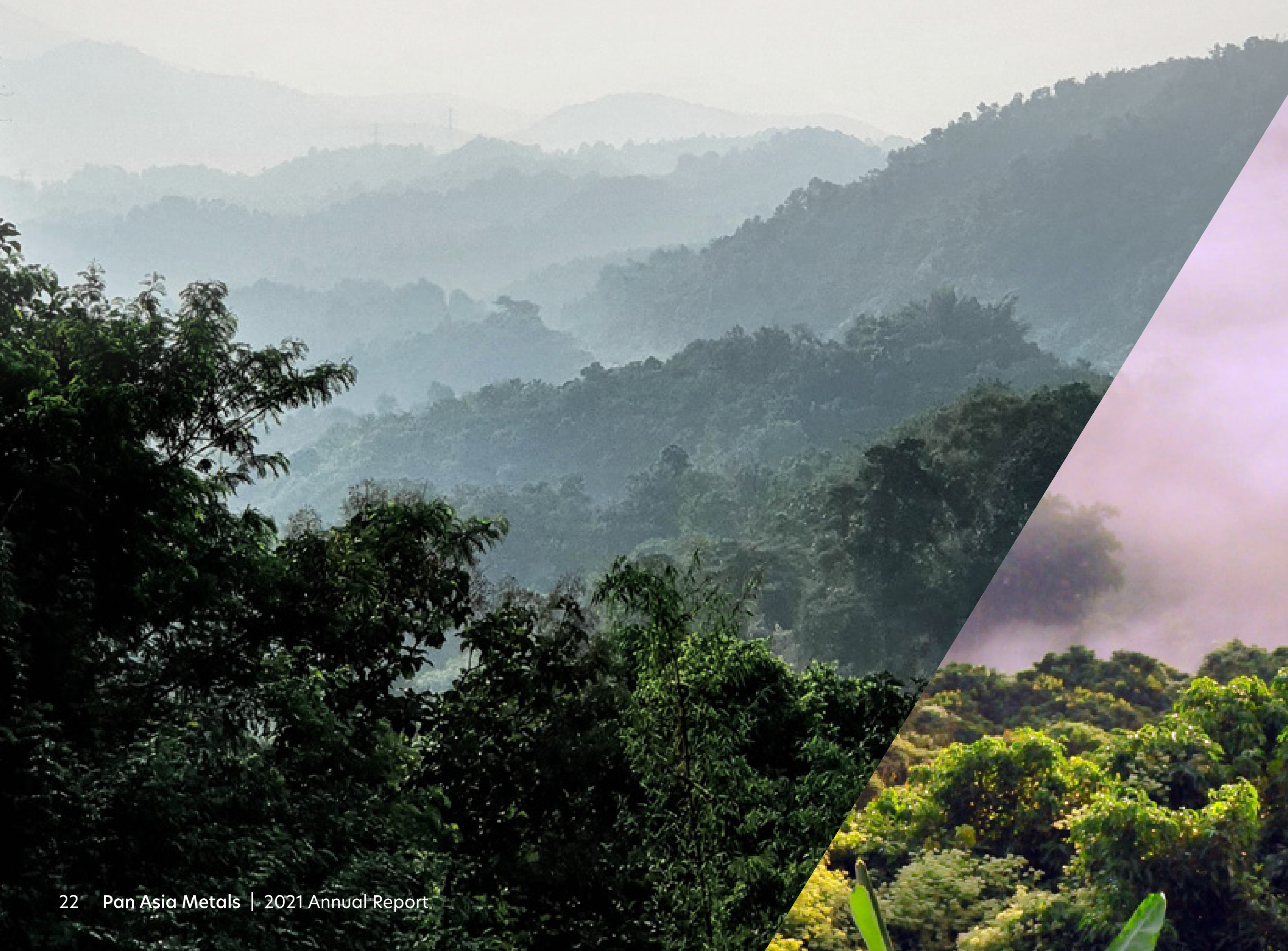
Company Secretaries

Wayne John Kernaghan - B.Bus, ACA, FAICD, FCIS

Mr Kernaghan is a qualified chartered accountant who spent 5 years with Price Waterhouse. On leaving Price Waterhouse he has spent over thirty years as Finance Director and Company Secretary within the mining industry for ASX and UK listed companies, unlisted public companies and as an Investment Manager in Australia and the United Kingdom. He is also a Fellow of the Australian Institute of Company Directors and a Chartered Secretary.

Fiza Alwi

Fiza Alwi is a Director of ZICO Corporate in Singapore. She acts as Secretary to a diversified range of local and foreign listed and non-listed companies. In her role as Company Secretary, Fiza helps the Company on matters related to corporate transactions and also advises and provides guidance on procedures and practices, code of corporate governance, compliance and regulatory requirements. Fiza holds a Bachelor of Law (Hons) degree and is also a fellow of the Chartered Secretaries Institute of Singapore and a Practising Chartered Secretary.



Financial Report

PAN ASIA METALS LIMITED AND ITS SUBSIDIARIES

CORPORATE DIRECTORY
For the financial year ended 31 December 2021

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) Mr Ian Burnham Mitchell (Non-Executive Director) Mr Roger Alan Jackson (Non-Executive Director)
Company secretaries	Mr Wayne John Kernaghan (Australia) 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

Information on directors

Name:	Paul David Lock
Title:	Executive Chairman and Managing Director
Qualifications:	Master of Political Economy, Master of International Studies, Master of Commercial Law and Master of Business Administration, Bachelor of Business, MAusIMM
Experience and expertise:	Paul has been involved in minerals exploration in South East Asia since 2012, with his work in this region forming the foundations of what is now Pan Asia Metals. Before Pan Asia Metals Paul was a corporate adviser at Everspring Partners, a boutique Sydney based advisory firm that he founded. Before this Paul worked in corporate advisory and leveraged finance roles at Commonwealth Bank of Australia. Paul initially focused on corporate and single asset project finance in the resource sector before moving into leveraged finance for private equity initiatives and then into a corporate advisory role where he was sector agnostic and focused on generating corporate transactions. Prior to banking Paul worked for Rothschild & Co in Australia where he was a derivatives trader and a high yield bond investor focusing on a variety of asset classes, generally distressed or complex assets. Paul also had some involvement in structuring derivatives solutions for resource companies in conjunction with Rothschild's corporate advisory team. Prior to Rothschild Paul worked for Japanese trading conglomerate Marubeni Corporation in the soft commodity trading division.

Name:	David John Hobby
Title:	Technical Director and Chief Geologist
Qualifications:	B.App Sci (Geology), MAusIMM, Competent Person under the JORC Code
Experience and expertise:	David is an Economic geologist and has been involved in the minerals industry for over 30 years. Since graduating from the University of Canberra in 1989 David has worked in a variety of geological terrains in Australia, Asia, South America, USA and Africa, and has experience in all facets of the minerals project cycle with a focus on exploration and evaluation. David has held senior geological management and consulting positions with listed and private companies and progressed several projects through to feasibility and pre-production, including the Adelong Gold Project, Broula King Gold Project, Webb's Silver Project and the Woodlawn Zn-Cu project. David has been focused on SE Asia since 2013. His geological qualifications and experience are complimented with skills in project management, environmental management, Occupational Health and Safety, contractor, government and stakeholder management.

Name:	David Michael Docherty
Title:	Non-Executive Director
Experience and expertise:	David has gained a lifetime of experience in the resource sector commencing with stockbroking in London before commencing a valuable career experience as an analyst with Investment Bank, Slater Walker London in 1965. David moved to Sydney in 1968 with Slater Walker to develop resource investment strategy, organising finance to enable Poseidon to drill its 'famous' Mt Windarra nickel discovery in 1969, as well as financing many other resource assets of that time. The same year David organised the ASX float of Slater Walker sponsored Mining Finance Corporation, becoming its Managing Director. In later times, David successfully guided Sedimentary Holdings as CEO to joint ownership and open-pit development of the old Cracow Gold Mine (Qld) in 1984-87. David became an equity partner in the Thai resource sector in 1987 when the Government deregulated gold exploration and mining. Thereafter, he jointly financed the formation of a team of young, keen local geologists who were responsible for the discovery of what is now the Chatree Gold Mine, a prospect which ultimately developed into the core gold asset of Kingsgate Consolidated and which, at its peak, was capitalised at more than $1 billion. In 2002 David was a foundation director and is CEO of Thai Goldfields NL, an Unlisted Public Company which holds Thai applications (and re-applications) over gold resources defined by previous JV partners Oxiana and Tigers Realm Minerals and exploration tenements previously investigated by Newmont, Ivanhoe, Phelps Dodge.
Name:	Thanasak Chanyapoon
Title:	Non-Executive Director
Qualifications:	Master degree in law (LL.M.), Certificate of American and International Law, Bachelor degree in law (LL.B. (Hons))
Experience and expertise:	Thanasak is a Partner at The Capital Law Office, a leading Bangkok based legal practice. Thanasak's area of expertise is tax law, advising national and international financial institutions, equity funds and corporations for more than 25 years. Prior to joining The Capital Law Office, he has worked with Baker & McKenzie, Bangkok, and Linklaters, Bangkok. He was also the co-founder of LawAlliance Limited specializing in Thailand tax laws including double tax treaties made with Thailand. Since 2008 to date, Thanasak is a special lecturer in various tax law subjects at Law Faculty, Chulalongkorn University, and in Faculty of Business Administration, Kasetsart University.
Name:	Ian Burnham Mitchell
Title:	Non-Executive Director
Qualifications:	BA, Dip Law
Experience and expertise:	Ian is a practicing solicitor of over 44 years' standing. Ian has been a director of over 13 ASX listed companies since 1987 and also as a Company Secretary of many more ASX listed and non-listed public companies. Ian has over 30 years' experience as a director and Company Secretary of listed and non-listed mining, exploration and industrial companies. Ian's legal expertise is in commercial law, contract law and ASIC and ASX compliance.

Name:	Roger Alan Jackson
Title:	Non-Executive Director
Qualifications: Experience and expertise:	Mr Jackson is a qualified geologist with a career spanning more than 25 years, Roger has considerable experience in mineral exploration, mine operations and development, mining services and the marketing of mineral concentrates. He has been a founding director of several private and public mining and mine service companies. He is currently an Executive Director of Ark Mines Ltd and Vertex Minerals Ltd and a non-Executive Director of QX Resources Ltd and Pan Asia Metals Limited, all ASX listed companies. He is a long-standing Member of the Australian Institute of Company Directors, Member of the Australian institute of Geoscientists, Fellow of the Geological Society of London and Fellow of the Australasian Institute of Mining and Metallurgists.

Company Secretaries
Wayne John Kernaghan - B.Bus, ACA, FAICD, FCIS

Mr Kernaghan is a qualified chartered accountant who spent 5 years with Price Waterhouse. On leaving Price Waterhouse he has spent over thirty years as Finance Director and Company Secretary within the mining industry for ASX and UK listed companies, unlisted public companies and as an Investment Manager in Australia and the United Kingdom. He is also a Fellow of the Australian Institute of Company Directors and a Chartered Secretary.

Nor Hafiza Binte Alwi

Hafiza Alwi is a Director of ZICO Corporate in Singapore. She acts as Secretary to a diversified range of local and foreign listed and non-listed companies. In her role as Company Secretary, Hafiza helps the Company on matters related to corporate transactions and also advises and provides guidance on procedures and practices, code of corporate governance, compliance and regulatory requirements. Hafiza holds a Bachelor of Law (Hons) degree and is also a fellow of the Chartered Secretaries Institute of Singapore and a Practising Chartered Secretary.

The directors present their statement to the members together with the audited financial statements of Pan Asia Metals Limited (the "Company") and its subsidiaries (the "consolidated entity") for the financial year ended 31 December 2021, the statement of changes in equity of the Company for the financial year ended 31 December 2021 and the statement of financial position of the Company as at 31 December 2021.

In the opinion of the directors,

(a) the statement of financial position of the Company, the statement of changes in equity of the Company and the consolidated financial statements of the consolidated entity are drawn up so as to give a true and fair view of the financial position of the Company and of the consolidated entity as at 31 December 2021, the changes in equity of the Company and the financial performance, changes in equity and cash flows of the consolidated entity for the financial year covered by the consolidated financial statements; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

DIRECTORS' REPORT
For the financial year ended 31 December 2021

Directors

The directors of the Company in office at the date of this statement are as follows:

Mr Paul David Lock
Mr David John Hobby
Mr David Michael Docherty
Mr Thanasak Chanyapoon
Mr Ian Burnham Mitchell
Mr Roger Alan Jackson

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' interests in shares and debentures

(a) According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	Holdings registered in name of director		Holdings in which a director is deemed to have an interest	
	At 31.12.2021	At 1.1.2021	At 31.12.2021	At 1.1.2021
Pan Asia Metals Limited				
(No. of ordinary shares)				
Mr Paul David Lock	42,099,750	42,099,750	-	-
Mr David John Hobby	4,677,750	4,677,750	-	-
Mr David Michael Docherty	-	-	22,203,268	21,329,091
Mr Thanasak Chanyapoon	3,295,142	3,070,965	-	-
Mr Ian Burnham Mitchell	67,675	-	-	-
Mr Roger Alan Jackson	67,675	-	-	-

Shares options

There were no share options granted during the financial year to subscribe for unissued shares of the Company.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company under option at the end of the financial year.

DIRECTORS' REPORT
For the financial year ended 31 December 2021

Review of operations

The loss for the consolidated entity after providing for income tax amounted to US$1,705,749 (31 December 2020: US$786,461).

The net assets of the consolidated entity increased by US$3,830,400 to US$12,440,708 as at 31 December 2021 (31 December 2020: US$8,610,308).

Working capital, being current assets less current liabilities, increased by $2,862,192 to US$4,906,607 (31 December 2020: US$2,044,415). The consolidated entity had negative cash flows from operating activities for the period of US$1,297,023 (31 December 2020: US$353,025 negative cash flow). The total cash and cash equivalents at the end of the financial year amounted to US$5,274,787 (31 December 2020: US$2,417,703).

Environmental regulation

Except for environmental regulations related to the consolidated entity's exploration licences the consolidated entity is not subject to any significant environmental regulation under the laws of the jurisdictions in which it operates.

Indemnity and insurance of officers

The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the directors and executives of the Company against a liability.

Independent auditor

The independent auditor, PKF-CAP LLP, has expressed its willingness to accept re-appointment.

On behalf of the directors

Paul David Lock
Director

David John Hobby
Director

30 March 2022

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Pan Asia Metals Limited (the "Company") and its subsidiaries (collectively, the "consolidated entity"), which comprise the statements of financial position of the consolidated entity and the Company as at 31 December 2021, the statements of changes in equity of the consolidated entity and the Company and the consolidated statement of comprehensive income and consolidated cash flow statement of the consolidated entity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the consolidated entity, the statement of financial position and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Act) and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the consolidated entity and the financial position of the Company as at 31 December 2021 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the consolidated entity and changes in equity of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the consolidated entity in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

Report on the Audit of the Financial Statements (continued)

Key Audit Matters (continued)

<table>
<tr><th colspan="2">Carrying value and capitalisation of exploration and evaluation assets</th></tr>
<tr><th>Refer to Note 2 and Note 11</th><th>How our audit addressed it</th></tr>
<tr><td>The consolidated entity has incurred exploration and evaluation costs for exploration projects in South East Asia over a number of years, which was capitalised in the statement of financial position in accordance with its accounting policies. The carrying value of the exploration and evaluation assets amounted to approximately US$7.464 million (2020: US$6.470 million).

There is a risk that the consolidated entity may lose or relinquish its rights to explore and evaluate those areas of interest and therefore the amounts capitalised in the statement of financial position from the current year and historical periods may no longer be recoverable.

Management has also assessed whether there are any facts and circumstances which suggest that the carrying amount of the assets may be impaired. During the year, management assessed that there are no facts and circumstances which suggest that the carrying amount of the assets are impaired, and as such, no impairment charge was recognised in relation to exploration and evaluation assets.</td><td>Our audit procedures included the followings:

- Understanding and vouching the underlying contractual entitlement to explore and evaluate each area of interest, including an evaluation of the consolidated entity's renewal in that area of interest at its expiry.

- Performed assessment on the recognition and measurement of exploration expenditure as per SFRS (I) 6 Exploration for and Evaluation of Mineral Resources.

- Evaluated if there any impairment indicators based on para 20 of SFRS (I) 6.

- Assessed the adequacy of the consolidated entity's disclosures in the financial statements.</td></tr>
</table>

Other Matter

The financial statements for the financial year ended 31 December 2020 were audited by another firm of auditors whose report dated 26 March 2021 expressed an unmodified opinion on those financial statements. The unmodified opinion expressed was in respect of the Company's compliance with Australian Auditing Standards and the Corporations Act 2001 in Australia and the predecessor auditors did not express an opinion in respect of the Company's compliance with SFRS(I) and the Act.

Other Information

Management is responsible for other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Report on the Audit of the Financial Statements (continued)

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the consolidated entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the consolidated entity or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the consolidated entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the consolidated entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the consolidated entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Consolidated entity to cease to continue as a going concern.

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

Report on the Audit of the Financial Statements (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Consolidated entity to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the consolidated entity audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement director on the audit resulting in this independent auditor's report is Titus Kuan Tjian.

PKF-CAP LLP

PKF-CAP LLP
Public Accountants and
Chartered Accountants

Singapore

30 March 2022

PAN ASIA METALS LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the financial year ended 31 December 2021

	Note	2021 US$	2020 US$
Interest income		5,019	269
Expenses			
Employment expenses	5	(458,376)	(453,275)
Depreciation expense		(48,227)	(29,544)
Finance costs	10	(2,048)	(2,054)
Rental expenses	10	(6,439)	-
IPO related expenses		-	(21,392)
Corporate and administration expenses		(355,919)	(239,817)
Professional fees		(264,396)	(115,588)
Marketing and promotion expenses		(139,259)	(70,140)
Subscriptions and membership fees		(81,977)	(36,598)
Unrealised foreign exchange (losses)/gains		(354,127)	181,678
Loss before income tax expense		(1,705,749)	(786,461)
Income tax expense	6	-	-
Loss for the year		(1,705,749)	(786,461)
Other comprehensive (loss)/ income			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation arising from consolidation		(25,633)	24,434
Other comprehensive (loss)/ income for the year, net of tax		(25,633)	24,434
Total comprehensive loss for the year		(1,731,382)	(762,027)
		Cent	**Cent**
Basic and diluted loss per share	23	(1.29)	(0.83)

PAN ASIA METALS LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION
As at 31 December 2021

	Note	Consolidated 2021 US$	Consolidated 2020 US$	Company 2021 US$	Company 2020 US$
Assets					
Current assets					
Cash and cash equivalents	7	5,274,787	2,417,703	5,039,013	2,305,793
Other receivables	8	27,253	81,974	618,153	1,835,072
Prepayments		40,081	7,442	35,062	2,408
Total current assets		5,342,121	2,507,119	5,692,228	4,143,273
Non-current assets					
Plant and equipment	9	76,251	70,133	3,354	4,829
Right-of-use assets	10	24,804	54,904	-	-
Exploration and evaluation assets	11	7,464,621	6,470,044	-	85,995
Investments in subsidiaries	12	-	-	7,975,115	5,717,183
Other receivables	8	22,960	-	-	-
Total non-current assets		7,588,636	6,595,081	7,978,469	5,808,007
Total assets		12,930,757	9,102,200	13,670,697	9,951,280
Liabilities					
Current liabilities					
Trade and other payables	13	102,673	129,180	8,411	11,904
Lease liabilities	10	26,168	27,639	-	-
Accrued expenses	14	306,673	305,885	245,314	272,667
Total current liabilities		435,514	462,704	253,725	284,571
Non-current liabilities					
Accrued expenses	14	54,535	-	-	-
Lease liabilities	10	-	29,188	-	-
Total non-current liabilities		54,535	29,188	-	-
Total liabilities		490,049	491,892	253,725	284,571
Net assets		12,440,708	8,610,308	13,416,972	9,666,709
Equity					
Share capital	15	12,974,382	7,412,600	12,974,382	7,412,600
Reserves	16	(54,022)	3,303,231	-	3,331,620
Accumulated losses		(479,652)	(2,105,523)	442,590	(1,077,511)
Total equity		12,440,708	8,610,308	13,416,972	9,666,709

PAN ASIA METALS LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN EQUITY
For the financial year ended 31 December 2021

Consolidated	Share capital US$	Capital reserve US$	Foreign currency translation reserve US$	Warrants reserve US$	Accumulated losses US$	Total equity US$
Balance at 1 January 2020	4,589,214	3,331,620	(52,823)	5,015	(1,319,062)	6,553,964
Loss for the year	-	-	-	-	(786,461)	(786,461)
Other comprehensive income for the year, net of tax	-	-	24,434	-	-	24,434
Total comprehensive loss for the year	-	-	24,434	-	(786,461)	(792,027)
Transactions with owners:						
Issuance of new shares (Note 15)	3,198,365	-	-	(5,015)	-	3,193,350
Issuance of new shares to directors (Note 15)	(374,979)	-	-	-	-	(374,979)
Balance at 31 December 2020	7,412,600	3,331,620	(28,389)	-	(2,105,523)	8,610,308

Consolidated	Share capital US$	Capital reserve US$	Foreign currency translation reserve US$	Warrants reserve US$	Accumulated losses US$	Total equity US$
Balance at 1 January 2021	7,412,600	3,331,620	(28,389)	-	(2,105,523)	8,610,308
Loss for the year	-	-	-	-	(1,705,749)	(1,705,749)
Other comprehensive loss for the year, net of tax	-	-	(25,633)	-	-	(25,633)
Total comprehensive loss for the year	-	-	(25,633)	-	(1,705,749)	(1,731,382)
Cancellation of deferred contingent consideration shares (Note 16)	-	(3,331,620)	-	-	3,331,620	-
Transactions with owners:						
Issuance of new shares (Note 15)	5,865,677	-	-	-	-	5,865,677
Share issue expenses (Note 15)	(363,977)	-	-	-	-	(363,977)
Issuance of new shares to directors (Note 15)	60,082	-	-	-	-	60,082
Balance at 31 December 2021	12,974,382	-	(54,022)	-	(479,652)	12,440,708

The accompanying notes form an integral part of these financial statements

PAN ASIA METALS LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN EQUITY
For the financial year ended 31 December 2021

Company	Share capital US$	Capital reserve US$	Warrants reserve US$	Accumulated losses US$	Total equity US$
Balance at 1 January 2020	4,589,214	3,331,620	5,015	(642,016)	7,283,833
Loss for the year	-	-	-	(435,495)	(435,495)
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	(435,495)	(435,495)
Transactions with owners:					
Issuance of new shares (Note 15)	3,198,365	-	(5,015)	-	3,193,350
Issuance of new shares to directors (Note 15)	(374,979)	-	-	-	(374,979)
Balance at 31 December 2020	7,412,600	3,331,620	-	(1,077,511)	9,666,709

Company	Share capital US$	Capital reserve US$	Accumulated losses US$	Total equity US$
Balance at 1 January 2021	7,412,600	3,331,620	(1,077,511)	9,666,709
Loss for the year	-	-	(1,811,519)	(1,811,519)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive loss for the year	-	-	(1,811,519)	(1,811,519)
Cancellation of deferred contingent consideration shares (Note 16)	-	(3,331,620)	3,331,620	-
Transactions with owners:				
Issuance of new shares (Note 15)	5,865,677	-	-	5,865,677
Share issue expenses (Note 15)	(363,977)	-	-	(363,977)
Issuance of new shares to directors (Note 15)	60,082	-	-	60,082
Balance at 31 December 2021	12,974,382	-	442,590	13,416,972

The accompanying notes form an integral part of these financial statements

PAN ASIA METALS LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the financial year ended 31 December 2021

	Note	2021 US$	2020 US$
Cash flows from operating activities			
Loss for the financial year		(1,705,749)	(786,461)
Adjustments for:			
Unrealised foreign exchange differences		354,127	(397)
Depreciation of plant and equipment	9	18,127	1,878
Depreciation of right of use assets	10	30,100	27,666
Finance cost	10	2,048	157
		(1,301,347)	(757,157)
Changes in working capital:			
- Prepayments		(32,639)	(6,005)
- Other receivables		31,759	93,185
- Other payables and accruals		12,353	310,041
- Provisions		(7,149)	6,911
Net cash used in operating activities		(1,297,023)	(353,025)
Cash flows from investing activities			
Additions to plant and equipment	9	(30,352)	(69,002)
Additions to exploration and evaluation assets		(1,134,202)	(540,772)
Net cash used in investing activities		(1,164,554)	(609,774)
Cash flows from financing activities			
Proceeds from issuance of ordinary shares	15	5,865,677	3,282,442
Share issue expense	15	(363,977)	(374,979)
Principal repayment of lease liabilities	10	(32,707)	(27,778)
Net cash generated from financing activities		5,468,993	2,879,685
Net increase in cash and cash equivalents		3,007,416	1,916,886
Cash and cash equivalents at the beginning of the financial year		2,417,703	562,436
Effects of exchange rate changes on cash and cash equivalents		(150,332)	(61,619)
Cash and cash equivalents at the end of the financial year	7	5,274,787	2,417,703

The accompanying notes form an integral part of these financial statements

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

Note 1. General information

The financial statements cover both Pan Asia Metals Limited (the "Company") and its subsidiaries (the "consolidated entity"). The financial statements are presented in United States dollars, which is the Company's functional and presentation currency.

Pan Asia Metals Ltd is listed in listed on Australian Securities Exchange ("ASX") in Australia and incorporated and domiciled in Singapore. Its registered office and principal place of business are:

Registered office	Principal place of business
77 Robinson Road #06-03 Robinson 77 Singapore 068896	Level 23, 52 Thaniya Plaza, Zone B Silom Road Suriyawong, Bangkok Thailand 10500

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are in the identification and development of battery and critical metals assets situated in low cost environments which are proximal to advanced industrial centres. The Company's principal geography is South East Asia.

Basis of preparation

These financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)s") under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with SFRS(I)s requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

Interpretations and amendments to published standards effective in 2021

On 1 January 2021, the consolidated entity has adopted the new or amended SFRS(I) and Interpretations of SFRS(I) ("INT SFRS(I)") that are mandatory for application for the financial year. Changes to the consolidated entity's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and INT SFRS(I).

The adoption of these new or amended SFRS(I) and INT SFRS(I) did not result in substantial changes to the consolidated entity's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

Note 2. Significant accounting policies

Principles of consolidation

Subsidiaries
(i) Consolidation
Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between consolidated entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment indicator of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

Non-controlling interests comprise the portion of a subsidiary’s net results of operations and its net assets, which is attributable to the interests that are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity, and statement of financial position. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

(ii) Acquisitions
The acquisition method of accounting is used to account for business combinations entered into by the Consolidated entity.

The consideration transferred for the acquisition of a subsidiary or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Consolidated entity. The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary measured at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Consolidated entity recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest’s proportionate share of the acquiree’s identifiable net assets.

The excess of (a) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the (b) fair value of the identifiable net assets acquired is recorded as goodwill.

(iii) Disposals
When a change in the Consolidated entity’s ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific Standard.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

Note 2. Significant accounting policies (continued)

Investments in subsidiaries
Investments in subsidiaries are carried at cost less accumulated impairment losses in the Company's statement of financial position. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

Foreign currency translation
(a) Functional and presentation currency
Items included in the financial statements of each entity in the Consolidated entity are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in United States Dollars ("US$"), which is the functional currency of the Company.

b) Transactions and balances
Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the reporting date are recognised in profit or loss. Monetary items include primarily financial assets (other than equity investments), contract assets and financial liabilities. However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations, are recognised in other comprehensive income and accumulated in the currency translation reserve.

When a foreign operation is disposed of or any loan forming part of the net investment of the foreign operation is repaid, a proportionate share of the accumulated currency translation differences is reclassified to profit or loss, as part of the gain or loss on disposal.

Foreign exchange gains and losses that relate to borrowings are presented in the income statement within "finance expense". All other foreign exchange gains and losses impacting profit or loss are presented in the income statement within "other losses".

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

c) Translation of consolidated entities' financial statements
The results and financial position of all the consolidated entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
(i) assets and liabilities are translated at the closing exchange rates at the reporting date;
(ii) income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and
(iii) all resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal with loss of control of the foreign operation.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rates at the reporting date.

Note 2. Significant accounting policies (continued)

Interest income

Interest income is recognised using the effective interest method.

Financial assets
(a) Classification and measurement

The consolidated entity classifies its financial assets at amortised cost.

The classification depends on the consolidated entity's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The consolidated entity reclassifies debt instruments when and only when its business model for managing those assets changes.

At initial recognition
At initial recognition, the consolidated entity measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

At subsequent measurement
(i) Debt instruments
Debt instruments mainly comprise of cash and cash equivalents and trade and other receivables.

The subsequent measurement categories depend on the consolidated entity's business model for managing the asset and the cash flow characteristics of the asset:

Amortised cost: Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.

b) Impairment
The consolidated entity assesses on a forward-looking basis the expected credit losses associated with its debt financial assets carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

(c) Recognition and derecognition
Regular way purchases and sales of financial assets are recognised on trade date – the date on which the consolidated entity commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the consolidated entity has transferred substantially all risks and rewards of ownership.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

Note 2. Significant accounting policies (continued)

Offsetting of financial instruments
Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Plant and equipment
Plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

Components of costs
The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation on plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

Office equipment	3 - 5 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each reporting date. The effects of any revision are recognised in profit or loss when the changes arise.

Subsequent expenditure
Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

Disposal
On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss within “other losses”.

Leases
When the Consolidated entity is the lessee:
At the inception of the contract, the Consolidated entity assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

Right-of-use assets
The Consolidated entity recognises a right-of-use asset and lease liability at the date which the underlying asset is available for use. Right-of-use assets are measured at cost1 which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentives received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

These right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Note 2. Significant accounting policies (continued)

Lease liabilities

The initial measurement of a lease liability is measured at the present value of the lease payments discounted using the interest rate implicit in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Consolidated entity shall use its incremental borrowing rate.

Lease payments include the following:
- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that are based on an index or rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under residual value guarantees
- The exercise price of a purchase option if the Consolidated entity is reasonably certain to exercise the option; and
- Payment of penalties for terminating the lease if the lease term reflects the Consolidated entity exercising that option.

For a contract that contain both lease and non-lease components, the Consolidated entity allocates the consideration to each lease component on the basis of the relative stand-alone prices of the lease and non-lease components. The Consolidated entity has elected to not separate lease and non-lease components for property leases and account these as one single lease component.

Lease liabilities are measured at amortised cost using the effective interest method. Lease liabilities shall be remeasured when:
- There is a change in future lease payments arising from changes in an index or rate;
- There is a change in the Consolidated entity's assessment of whether it will exercise an extension option; or
- There is a modification in the scope or the consideration of the lease that was not part of the original term.

Lease liabilities are remeasured with a corresponding adjustment to the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short term and low value leases

The Consolidated entity has elected to not recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value leases, except for sublease arrangements. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the consolidated entity prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as noncurrent liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

Note 2. Significant accounting policies (continued)

Exploration and evaluation expenditure

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.

Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a tax authority will accept an uncertain tax treatment. The consolidated entity measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries, associates and joint ventures, except where the consolidated entity is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:
(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date; and

(ii) based on the tax consequence that will follow from the manner in which the consolidated entity expects, at the reporting date, to recover or settle the carrying amounts of its assets and liabilities except for investment properties. Investment property measured at fair value is presumed to be recovered entirely through sale.

Note 2. Significant accounting policies (continued)

Income taxes (continued)

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

The consolidated entity accounts for investment tax credits (for example, productivity and innovation credit) similar to accounting for other tax credits where a deferred tax asset is recognised for unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax credits can be utilised.

Finance costs
Borrowing costs are recognised in profit or loss using the effective interest method.

Employee compensation
Employee benefits are recognised as an expense unless the cost qualifies to be capitalised as an asset.

(a) Defined contribution plans
Defined contribution plans are post-employment benefit plans under which the consolidated entity pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The consolidated entity has no further payment obligations once the contributions have been paid.

(b) Share-based compensation
The consolidated entity operates an equity-settled, share-based compensation plan. The value of the employee services received in exchange for the grant of shares is recognised as an expense with a corresponding increase in the share capital. The total amount to be recognised is determined by reference to the fair value of the shares granted on grant date.

Cash and cash equivalents
For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand and deposits with financial institutions which are subject to an insignificant risk of change in value.

Share capital and treasury shares
Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

Value added tax ('VAT') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated VAT, unless the VAT incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense

Receivables and payables are stated inclusive of the amount of VAT receivable or payable. The net amount of VAT recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The VAT components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of VAT recoverable from, or payable to, the tax authority.

Note 2. Significant accounting policies (continued)

Impairment of non-financial assets
(a) Plant and equipment
Right-of-use assets
Investments in subsidiaries
Exploration and evaluation assets

Plant and equipment, right-of-use assets, investments in subsidiaries and exploration and evaluation assets are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

For an asset other than goodwill, management assesses at the end of the reporting period whether there is any indication that an impairment recognised in prior periods may no longer exist or may have decreased. If any such indication exists, the recoverable amount of that asset is estimated and may result in a reversal of impairment loss. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss.

Note 3. Critical accounting judgements, estimates and assumptions

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Exploration and evaluation assets
Exploration and evaluation assets have been capitalised on the basis that the consolidated entity will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

Note 4. Segment disclosures

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 5. Employment expenses

	Consolidated	
	2021	2020
	US$	US$
Wages and salaries	332,720	315,313
Employer's contribution to defined contribution plans	28,345	26,148
Share based payment	90,000	67,500
	451,065	408,961

Note 6. Income tax expense

	Consolidated	
	2021	2020
	US$	US$
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense	(1,705,749)	(786,461)
Tax at the statutory tax rate of 17% (2020: 17%)	(289,977)	(133,698)
Effects of:		
- Non-deductible expenses	10,213	8,975
- Deferred tax assets not recognised	279,764	124,723
	-	-

The consolidated entity has unrecognised tax losses of US$2,379,337 (2020: US$733,664) at the reporting date which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by those companies with unrecognised tax losses in their respective countries of incorporation. The tax losses have no expiry date.

Note 7. Cash and cash equivalents

	Consolidated		Company	
	2021	2020	2021	2020
	US$	US$	US$	US$
Cash at bank	5,274,787	2,417,703	5,039,013	2,305,793

Note 8. Other receivables

	Consolidated		Company	
	2021 US$	2020 US$	2021 US$	2020 US$
Current				
Other receivables				
- Third parties	27,253	81,974	-	-
- Related party	-	-	-	32,602
- Subsidiaries	-	-	1,177,917	1,802,470
Less: Loss allowance	-	-	(559,764)	-
	27,253	81,974	618,153	1,835,072
Non-current				
Refundable deposits	22,960	-	-	-
	50,213	81,974	618,153	1,835,072

The balances due from related party and subsidiaries are non-trade in nature, unsecured, interest-free and repayable on demand.

The movement in loss allowance for other receivables computed based on 12-month expected credit loss was as follows:

	Company	
	2021 US$	2020 US$
Beginning of the financial year	-	-
Add: Loss allowance	559,764	-
End of the financial year	559,764	-

Note 9. Plant and equipment

Consolidated	Office equipment US$
Cost	
At 1 January 2020	3,598
Additions	68,027
Currency translation differences	7,901
At 31 December 2020	79,526
Additions	30,352
Currency translation differences	(7,702)
At 31 December 2021	102,176
Accumulated depreciation and impairment losses	
At 1 January 2020	2,924
Depreciation charge	1,878
Currency translation differences	4,591
At 31 December 2020	9,393
Depreciation charge	18,127
Currency translation differences	(1,595)
At 31 December 2021	25,925
Net carrying amount	
At 31 December 2020	70,133
At 31 December 2021	76,251

Note 9. Plant and equipment (continued)

Company 2021	Office equipment US$
Cost	
At 1 January 2020/ 31 December 2020 and 31 December 2021	5,773
Accumulated depreciation and impairment losses	
At 1 January 2020	-
Depreciation charge for the year	944
At 31 December 2020	944
Depreciation charge for the year	1,475
At 31 December 2021	2,419
Net carrying amount	
At 31 December 2020	4,829
At 31 December 2021	3,354

Note 10. Leases

Nature of the consolidated entity's leasing activities – as a lessee

Leasehold properties

The consolidated entity leases office space for the purpose of back office operations.

There is no externally imposed covenant on the lease arrangements.

(a) *Carrying amounts*

ROU assets

	Consolidated 2021 US$	Consolidated 2020 US$
Leasehold properties	24,804	54,904

(b) *Depreciation charged during the year*

	Consolidated 2021 US$	Consolidated 2020 US$
Leasehold properties	30,100	27,666

Note 10. Leases (continued)

Nature of the consolidated entity's leasing activities –as a lessee (continued)

(c) *Interest expense*

	Consolidated	
	2021	**2020**
	US$	**US$**
Interest expense on lease liabilities	2,048	2,054

(d) Lease expense not capitalised in lease liabilities

	Consolidated	
	2021	**2020**
	US$	**US$**
Lease expense – short-term leases	6,439	-

(e) Total cash outflow for the leases in 2021 is US$32,707 (2020: US$27,778).

(f) There are no addition or disposal of ROU assets during the financial year 2021 and 2020.

(g) The reconciliation of movements of the consolidated entity's liabilities to the consolidated entity's cash flows arising from financing activities is presented below:

	At 1 January US$	**Repayments US$**	**Interest expense US$**	**At 31 December US$**
2021				
Lease liabilities	56,827	(32,707)	2,048	26,168
2020				
Lease liabilities	82,551	(27,778)	2,054	56,827

(h) Future cash outflow which are not capitalised in lease liabilities

The lease of office premise contains extension period, for which the related lease payments had not been included in lease liabilities as the consolidated entity is not reasonably certain to exercise this extension option. The consolidated entity negotiates extension option to optimise operational flexibility in terms of managing the asset used in the consolidated entity's operations. The extension option is exercisable by the consolidated entity and not by the lessor.

Note 11. Exploration and evaluation

	Consolidated		Company	
	2021	**2020**	**2021**	**2020**
	US$	**US$**	**US$**	**US$**
Exploration and evaluation at cost	7,464,621	6,470,044	-	85,995

	Consolidated	**Company**
	US$	US$
Balance at 1 January 2020	5,929,445	85,995
Expenditure during the year	513,547	-
Exchange differences	27,052	-
Balance at 31 December 2020	6,470,044	85,995
Expenditure during the year	1,171,671	-
Reclassification	-	(85,995)
Exchange differences	(177,094)	-
Balance at 31 December 2021	7,464,621	-

The expenditure during the period was predominantly in respect of costs incurred on the Khao Soon Tungsten Project and Reung Kiet Lithium Project.

Note 12. Investments in subsidiaries

	Company	
	2021	**2020**
	US$	**US$**
Equity investments at cost		
Beginning of the financial year	5,717,183	5,717,183
Add: addition	2,257,932	-
End of the financial year	7,975,115	5,717,183

Note 12. Investment in subsidiaries (continued)

The consolidated entity has the following subsidiaries as at 31 December 2021 and 2020:

	Name	Principal activities	Country of business/ incorporation	Proportion of ordinary shares directly held by consolidated entity 2021 %	2020 %
	Held by the Company				
1	Pan Asia Metals (Thailand) Co. Ltd.	Investment holding	Thailand	100	100
2	Pan Asia Metals Pty. Ltd.	Minerals mining including exploration analysis and inspection	Australia	100	100
3	Pan Asia Metals (Malaysia) Sdn. Bhd.	Minerals mining including exploration analysis and inspection	Malaysia	100	100
4	New Energy Metals Pte Ltd (formerly known as Mandalay Mining and Metals Pte. Ltd).	Petroleum, mining and prospecting services	Singapore	100	100
	Held by Pan Asia Metals (Thailand) Co. Ltd.				
5	Pan Asia 1 Metals (Thailand) Co. Ltd	Minerals mining including exploration analysis and inspection	Thailand	100	100
6	Pan Asia 2 Metals (Thailand) Co. Ltd	Minerals mining including exploration analysis and inspection	Thailand	100	100
7	Pan Asia 3 Metals (Thailand) Co. Ltd	Minerals mining including exploration analysis and inspection	Thailand	100	100
8	Pan Asia 4 Metals (Thailand) Co. Ltd	Minerals mining including exploration analysis and inspection	Thailand	100	100
9	Siam Industrial Metal Company Limited	Minerals mining including exploration analysis and inspection	Thailand	100	100
10	Thai Mineral Ventures Company Limited	Minerals mining including exploration analysis and inspection	Thailand	100	100
	Held by New Energy Metals Pte. Ltd.				
11	First Light Mandalay Mining and Metals Company Limited	Minerals mining including exploration analysis and inspection	Myanmar	100	100

13. Trade and other payables

	Consolidated 2021 US$	Consolidated 2020 US$	Company 2021 US$	Company 2020 US$
Trade payables	13,204	11,819	8,411	11,815
Other payables	89,469	117,361	-	89
	102,673	129,180	8,411	11,904

The amounts are unsecured and are usually paid within 30 days of recognition.

Note 14. Accrued expenses

	Consolidated 2021 US$	Consolidated 2020 US$	Company 2021 US$	Company 2020 US$
Current				
Directors' fee	207,944	190,952	207,944	190,952
Professional fee	85,714	48,342	37,370	81,715
Other accrued expenses	13,015	4,907	-	-
Provision of employee benefits	-	61,684	-	-
	306,673	305,885	245,314	272,667
Non-current				
Provision of employee benefits	54,535	-	-	-
	361,208	305,885	245,314	272,667

Note 15. Share capital

	Consolidated and Company			
	2021 Shares	2020 Shares	2021 US$	2020 US$
Ordinary shares	146,593,992	126,010,288	12,974,382	7,412,600

Movements in ordinary share capital

2021	No. of ordinary shares	Amount US$
Beginning of financial year	126,010,288	7,412,600
Shares issued to investors	20,000,000	5,865,677
Shares issued to directors	583,704	60,082
Share issue expenses	-	(363,977)
End of financial year	146,593,992	12,974,382

Note 15. Share capital (continued)

2020	No. of ordinary shares	Amount US$
Beginning of financial year	77,813,414	4,589,214
Shares issued to investors	48,196,874	3,198,365
Share issue expenses	-	(374,979)
End of financial year	126,010,288	7,412,600

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.

Fully paid ordinary shares carry one vote per share and carry a right to dividends as and when declared by the Company.

Capital risk management
The consolidated entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Note 16. Reserves

	Consolidated		Company	
	2021 US$	2020 US$	2021 US$	2020 US$
Foreign currency translation reserve	(54,022)	(28,389)	-	-
Capital reserve	-	3,331,620	-	3,331,620
	(54,022)	3,303,231	-	3,331,620

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.

Capital reserve

This reserve relates to the difference between the issued share price of US$0.067 per share and the exercise price of US$0.0001 per share for the 120,000,000 ordinary shares of deferred contingent consideration shares to be issued in connection to the transfer of 100% equity interest in Pan Asia Metals (Thailand) Co, Ltd and its subsidiaries to the Company, which occurred in 2017. In 2019, 30,000,000 ordinary shares were issued under the 2nd tranche of the deferred contingent consideration shares. In 2020, the remaining 90,000,000 shares under the 3rd, 4th and 5th tranche of the deferred contingent consideration shares were cancelled. In 2021, the balance in the capital reserve were transferred to accumulated losses.

Note 17. Financial instruments

Financial risk management objectives

The consolidated entity's activities expose it to a variety of financial risks. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. The consolidated entity uses different methods to measure different types of risk to which it is exposed.

Risk management is carried out by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the consolidated entity and appropriate procedures, controls and risk limits.

Market risk

Foreign currency risk
The consolidated entity undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

The consolidated entity has exposure to fluctuations between Australian dollar, Singapore dollar and the Thai Baht.

The carrying amount of the consolidated entity's and Company's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

2021

Consolidated	**United States Dollar**	**Thai Baht**	**Australian Dollar**	**Singapore Dollar**	**Total**
Cash and cash equivalents	81,007	187,109	5,003,250	3,421	5,274,787
Other receivables – third parties	243	49,970	-	-	50,213
Trade and other payables	(5,550)	(12,020)	(85,103)	-	(102,673)
Lease liabilities	-	(26,168)	-	-	(26,168)
Accrued expenses	(123,382)	(67,510)	(132,946)	(37,370)	(361,208)
Net financial (liabilities)/assets	(47,682)	131,381	4,785,201	(33,949)	4,834,951
Less: Net financial liabilities/ (assets) denominated in the respective entities' functional currency	47,682	(131,381)	(24,371)	-	(108,070)
Currency exposure	-	-	4,760,830	(33,949)	4,726,881

Note 17. Financial instruments (continued)

2021

Company	United States Dollar	Thai Baht	Australian Dollar	Singapore Dollar	Total
Cash and cash equivalents	77,743	-	4,957,849	3,421	5,039,013
Other receivables	618,153	-	-	-	618,153
Trade and other payables	(2,243)	-	(6,168)	-	(8,411)
Accrued expenses	(75,000)	-	(132,944)	(37,370)	(245,314)
Net financial (liabilities)/assets	618,653	-	4,818,737	(33,949)	5,403,441
Less: Net financial liabilities/ (assets) denominated in the respective entities functional currency	(618,653)	-	-	-	(618,653)
Currency exposure	-	-	4,818,737	(33,949)	4,784,788

2020

Consolidated	United States Dollar	Thai Baht	Australian Dollar	Singapore Dollar	Total
Cash and cash equivalents	56,022	96,197	2,264,412	1,072	2,417,703
Other receivables – third parties	243	81,731	-	-	81,974
Trade and other payables	-	(47,245)	(81,935)	-	(129,180)
Lease liabilities	-	(56,827)	-	-	(56,827)
Accrued expenses	(75,000)	(66,591)	(82,579)	(81,715)	(305,885)
Net financial (liabilities)/assets	(18,735)	7,265	2,099,898	(80,643)	2,007,785
Less: Net financial liabilities/ (assets) denominated in the respective entities functional currency	18,735	(7,265)	534,862	-	546,332
Currency exposure	-	-	2,634,760	(80,643)	2,554,117

Company	United States Dollar	Thai Baht	Australian Dollar	Singapore Dollar	Total
Cash and cash equivalents	51,281	-	2,253,440	1,072	2,305,793
Other receivables – third parties	1,319,894	515,178	-	-	1,835,072
Trade and other payables	-	-	(11,904)	-	(11,904)
Accrued expenses	(75,000)	-	(115,952)	(81,715)	(272,667)
Net financial (liabilities)/assets	1,296,175	515,178	2,125,584	(80,643)	3,856,294
Less: Net financial liabilities/ (assets) denominated in the respective entities functional currency	(1,296,175)	-	-	-	(1,296,175)
Currency exposure	-	515,178	2,125,584	(80,643)	2,560,119

Note 17. Financial instruments (continued)

A 5% strengthening of the United Dollar against the following foreign currencies at the statement of financial position date would increase/(decrease) net profit by the amounts shown below. This analysis assumes that all other variables, in particular interest and tax rates, remain constant.

	Consolidated		**Company**	
	Increase/(Decrease)		Increase/(Decrease)	
	2021	2020	2021	2020
	Net profit	Net profit	Net profit	Net profit
Consolidated				
Thai Baht				
- Strengthened	-	-	-	21,380
- Weakened	-	-	-	(21,380)
Australian Dollar				
- Strengthened	197,574	109,343	199,978	88,212
- Weakened	(197,574)	(109,343)	(199,978)	(88,212)
Singapore Dollar				
- Strengthened	(1,409)	(3,347)	(1,409)	(3,347)
- Weakened	1,409	3,347	1,409	3,347

A 5% weakening of the United States Dollar against the above foreign currencies would have had the equal but opposite effect to the amounts shown above, on the basis that all other variables remain constant.

Credit risk
Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity adopts the policy of dealing only with high credit quality counterparties.

As the consolidated entity and the Company do not hold collateral, the maximum exposure to credit risk to each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position.

The consolidated entity and the Company held cash and cash equivalents with banks with high credit ratings and are considered to have low credit risk. Other receivables and cash balances are measured on 12-month expected credit losses and subject to immaterial credit loss.

Liquidity risk
Vigilant liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The consolidated entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Note 17. Financial instruments (continued)

Remaining contractual maturities
The table below analyses non-derivative financial liabilities of the consolidated entity and the Company into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

Consolidated - 2021	1 year or less US$	Between 1 and 2 years US$	Remaining contractual maturities US$
Trade and other payables	102,673	-	102,673
Accrued expenses	361,208	-	361,208
Lease liabilities	26,827	-	26,827
Total	490,708	-	490,708

Consolidated - 2020	1 year or less US$	Between 1 and 2 years US$	Remaining contractual maturities US$
Trade and other payables	129,180	-	129,180
Accrued expenses	305,885	-	305,885
Lease liabilities	29,920	29,920	59,840
Total	464,985	29,920	494,905

Company - 2021	1 year or less US$	Between 1 and 2 years US$	Remaining contractual maturities US$
Trade payables	8,411	-	8,411
Accrued expenses	245,314	-	245,314
Total	253,725	-	253,725

Company - 2020	1 year or less US$	Between 1 and 2 years US$	Remaining contractual maturities US$
Trade and other payables	11,904	-	11,904
Accrued expenses	272,667	-	272,667
Total	284,571	-	284,571

Note 17. Financial instruments (continued)

Fair value of financial instruments

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

Note 18. Financial Instruments by category

The carrying amount of the different categories of financial instruments are as follows::

	Consolidated		Company	
	2021	**2020**	**2021**	**2020**
	US$	**US$**	**US$**	**US$**
Financial assets				
At amortised cost				
Cash and cash equivalents	5,274,787	2,417,703	5,039,013	2,305,793
Other receivables	50,213	81,974	618,153	1,835,072
	5,325,000	2,499,677	5,657,166	4,140,865
Financial liabilities				
At amortised cost				
Trade and other payables	102,673	129,180	8,411	11,904
Accrued expenses	361,208	305,885	245,314	272,667
Lease liabilities	26,168	56,827	-	-
	490,049	491,892	253,725	284,571

Note 19. Auditors remuneration

	Consolidated	
	2021	**2020**
	US$	**US$**
Amounts paid to the auditors of the consolidated entity		
Audit services		
- PKF-CAP LLP	19,980	-
- Other PKF network firm	17,390	-
- William Buck Audit (Vic) Pty Ltd	15,762	18,340
Other services		
- William Buck Audit (Vic) Pty Ltd.	-	8,000
Total	53,132	26,340

Note 20. Key management personnel disclosures

The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	Consolidated	
	2021 US$	2020 US$
Short-term employee benefits	358,682	403,190
Post-employment benefits	30,788	43,510
Share-based payments*	60,082	-
	449,552	446,700

* Share based payments represents the component of directors fee for the year ended 31 December 2021 that is paid or payable through the issue of the shares.

Note 21. Contingent assets and liabilities

(a) 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 31 December 2021, there were no bonus shares issued to the staff.

Note 22. Related party transactions

Terms and conditions
All transactions were made on normal commercial terms and conditions and at market rates.

Note 23. Loss per share

	Consolidated	
	2021	**2020**
	US$	**US$**
Loss after income tax attributable to the owners of Pan Asia Metals Limited	(1,705,749)	(786,461)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic and diluted earnings per share	131,842,889	94,830,722
	Cent	**Cent**
Basic and diluted loss per share	(1.29)	(0.83)

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the owners of Pan Asia Metals Limited by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share
There were no dilutive potential ordinary shares during the financial years ended 31 December 2021 and 2020.

Note 24. New or revised accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2021 reporting periods and have not been early adopted by the consolidated entity. These standards are not expected to have a material impact on the consolidated entity in the current or future reporting periods and on foreseeable future transactions.

Note 25. Impact of COVID-19

The COVID-19 pandemic has affected almost all countries in the world, and resulted in border closures, production stoppages, workplace closures, movement controls and other measures imposed by the various governments. The consolidated entity's operations have been affected by the spread of COVID-19 since 2020.

Set out below is the impact of COVID-19 on the consolidated entity's financial performance reflected in this set of financial statements for the year ended 31 December 2021:

i. The consolidated entity has assessed that the going concern basis of preparation for this set of financial statements remains appropriate.
ii. In 2021, border closures, production stoppages and workplace closures have resulted in periods where the consolidated entity's operations were temporarily suspended to adhere to the respective governments' movement control measures. These have negatively impacted business production and volume in 2021, resulting in a negative impact on the consolidated entity's financial performance for 2021.
iii. The consolidated entity has considered the market conditions (including the impact of COVID-19) as at the reporting date, in making estimates and judgements on the recoverability of assets as at 31 December 2021.

As the COVID-19 pandemic continues to evolve, the consolidated entity continues to be impacted by the measures taken by governments to combat the spread of the pandemic. If the situation persists beyond management's current expectations, the consolidated entity's assets may be subject to further write downs in the subsequent financial periods.

Note 26. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Pan Asia Metals Limited on 30 March 2022.

Tenement Schedule

The information set out below was applicable as at 31 December, 2021.

Tenement/ Application	Holder/ Applicant	% Held	Grant Date	Term (Years)	Area (Km2)	Country
Reung Kiet Lithium Project						
JSPL 1/2562	SIM	100	15-Feb-2019	5	12.3	Thailand
JSPL 2/2562	SIM	100	15-Feb-2019	5	12.7	Thailand
JSPL 3/2562	SIM	100	15-Feb-2019	5	11.9	Thailand
EPLA 2/2564	SIM	100	Application	na	2.0	Thailand
Kata Thong Geothermal Lithium and Hard Rock Lithium/Tin Project						
DSPLA1	PAM2	100	Application	na	8.3	Thailand
DSPLA2	PAM2	100	Application	na	10.3	Thailand
DSPLA3	PAM2	100	Application	na	7.8	Thailand
DSPLA4	PAM2	100	Application	na	3.8	Thailand
DSPLA5	PAM2	100	Application	na	14.7	Thailand
Khao Soon Tungsten Project(i)						
TSPL 1/2563	TMV	100	14-May-2020	5	7.1	Thailand
TSPL 2/2563	TMV	100	20-Aug-2020	5	15.9	Thailand
TSPLA 1/2549	TMV	100	Application	na	11.0	Thailand
Bang Now Lithium Project						
AEPL 1/2561	PAM3	100	14-Feb-2020	2	3.5	Thailand
AEPL 2/2561	PAM3	100	14-Feb-2020	2	1.5	Thailand
Minter Tungsten Project						
EL 8811 has been relinquished						Australia

SIM: Siam Industrial Metal Co. Ltd.; PAM3: Pan Asia 3 Metals (Thailand) Co. Ltd.; TMV: Thai Mineral Ventures Co. Ltd.; PAMA: Pan Asia Metals (Aus) Pty. Ltd. SIM, PAM2, PAM3, TMV and PAMA are all subsidiaries of the Company or a subsidiary of one of the Company's 100% held subsidiaries. (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 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. David Docherty is a Director of Pan Asia Metals and TGF.

Shareholder Information

The shareholder information set out below was applicable as at 28 March, 2022.

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

	Ordinary shares		
	Number of holders	**Number of shares**	**% of total shares issued**
1 to 1,000	203	148,308	9.06
1,001 to 5,000	786	2,170,220	35.09
5,001 to 10,000	438	3,589,429	19.55
10,001 to 100,000	692	22,486,813	30.89
100,001 and over	121	118,199,222	5.40
Total	**2,240**	**146,593,992**	**100.00**
Holding less than a marketable parcel	136		6.07

Equity Security Holders

Twenty largest quoted equity security holders. The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Number of holders	**% of total shares issued**
MR PAUL DAVID LOCK	42,099,750	28.72
THAI GOLDFIELDS NL	20,222,500	13.79
HOLICARL PTY LTD <DOSSOR CHILDREN A/C>	6,976,744	4.76
CITICORP NOMINEES PTY LIMITED	6,035,940	4.12
MR DAVID JOHN HOBBY	4,677,750	3.19
MR THANASAK CHANYAPOON	3,295,142	2.25
LINKWOOD HOLDINGS PTE LTD	1,522,388	1.04
JURRAH INVESTMENTS PTY LTD <RM DAVIS FAMILY A/C>	1,270,000	0.87
SYDNEY EQUITIES PTY LTD	1,205,768	0.82
I & B MCDOUGALL PTY LTD <IAN MCDOUGALL FAMILY A/C>	1,125,417	0.77
G J INVESTMENTS PTY LTD <C J RANSOM FAMILY A/C>	1,000,000	0.68
MRS SOOJUNG YEO + MR BRENDAN CHENG-JI LEE	904,444	0.62
BEARAY PTY LIMITED <BRIAN CLAYTON S/F A/C>	850,000	0.58
INTELLSOFT SERVICES PTY LTD	820,387	0.56
BOND STREET CUSTODIANS LIMITED <PRSEVI - D63221 A/C>	751,667	0.51
INVESTMENT COMPANY SERVICES PTY LTD <THE PETERS FAMILY A/C>	733,334	0.50
PRIMARY SECURITIES LTD <ANADARA ASX SP OPP FUND A/C>	700,000	0.48
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	620,202	0.42
INTELLSOFT SERVICES PTY LTD <INTELLSOFT P/L S/F A/C>	617,720	0.42
NETWEALTH INVESTMENTS LIMITED <SUPER SERVICES A/C>	615,745	0.42
Totals: Top 20 holders of PAM ORDINARY FULLY PAID	**96,044,898**	**65.52**
Total Remaining Holders Balance	50,549,094	34.48
Total Holders Balance	146,593,992	100.00

Substantial holders
There are two holders in the company: Mr Paul David Lock with 28.72% and Thai Goldfields NL with 13.79% of total shares issued.

Voting rights
The voting rights attached to ordinary shares are set out below:

Ordinary shares
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.

There are no other classes of equity securities.

Corporate Directory

Directors	Mr Paul Lock (Executive Chairman and Managing Director) Mr David Hobby (Executive Director and Technical Director) Mr David Docherty (Non-Executive Director) Mr Thanasak Chanyapoon (Non-Executive Director) Mr Ian B Mitchell (Non-Executive Director) Mr Roger Jackson (Non-Executive Director)
Company secretaries	Mr Wayne John Kernaghan (Australia) Ms Fiza 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
Share register	Advanced Share Registry 110 Stirling Highway Nedlands, WA, 6009 Phone: +61 8 9389 8033
Accountants	Vistra Australia Level 4 100 Albert Road Melbourne VIC 3205
Auditors	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
Stock exchange listing	Pan Asia Metals Limited shares are listed on the Australian Securities Exchange (ASX code: PAM)
Website	www.panasiametals.com

PAN ASIA METALS