

ASX RELEASE

14 September 2022

ASX CODE

PNN

REGISTERED OFFICE

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BOARD

Stephen Ross
Non-Executive Chairman

Mena Habib
Executive Director

James Moses
Non-Executive Director

David Turvey
Non-Executive Director

PROJECTS

Argentina
Salta Lithium Project

Santa Ines Copper-Gold Project

Australia
Eyre Peninsula Kaolin-Halloysite Project

Musgrave Nickel-Copper-Cobalt-PGE Project

\$5.5M Placement completed to accelerate and increase work programs at Salta Lithium Project

- Firm commitments received for a Placement to raise approximately \$5.5m from sophisticated, professional and institutional investors
- Strong cash balance post-raising of ~\$8.27m to fully fund next phase of work programs across project portfolio
- Funds to be used for -
 - Resource definition drilling and to advance existing MoU's at Salta Lithium Project;
 - Further drilling and test work at Eyre Peninsula Kaolin-Halloysite Project; and
 - Progress project access for Musgrave Ni-Cu-Co-PGE Project in South Australia, and working capital
- Placement saw a number of institutions join the Power Minerals share registry for the first time
- GBA Capital acted as lead manager to the Placement

Diversified minerals company Power Minerals Limited (ASX: PNN) (**Power** or **the Company**) is pleased to announce that it has received firm commitments for a placement to raise approximately \$5.5 million from sophisticated, professional and institutional investors (**Placement**).

The Placement was well supported, which is a testament to the strong level of investor support for the Company's plans to accelerate and expand exploration and development of its Salta Lithium Project in Salta Province, the lithium triangle of north-west Argentina, and its other portfolio assets.

The Placement also saw a number of institutional investors join the Power share register for the first time.

Funds raised under the Placement will be predominantly used to advance and expand work programs at the Salta Lithium Project, where Resource definition drilling is due to commence this month. Drilling will commence at the Incahuasi Salar and will then progress to the Pocitos and Rincon Salares.

Funds will also be deployed to advance the Eyre Peninsula Kaolin-Halloysite Project and Musgrave Nickel-Copper-Cobalt-PGE Project, both in South Australia, and for working capital.

“We are delighted by the investor response to this Placement. The funds raised will enable Power to lock-in the drill rig for the entire planned drilling campaign at the Salta Project, which will deliver significant time and cost savings to the Company across this scope of drilling. It will also allow us to pursue a potential second drill rig to operate concurrently, and fast-track the expansion of the Project’s existing Mineral Resource, which is a core focus for the Company at the Salta Project.”

Power Minerals Executive Director Mena Habib

The Placement delivers Power a strong balance sheet with a cash balance in excess of approximately \$8.27m to execute its work programs, which will be supported by strong, ongoing newsflow designed to continue to drive shareholder value.

Use of Funds

Salta Lithium Brine Project

Power plans to commence a Mineral Resource definition drilling campaign across its priority salares at the Salta Lithium Project this month. Drilling will begin at the Incahuasi Salar, where two diamond drill holes for a total of 1,000m are planned, and then progress to the Pocitos and Rincon salares. The campaign is designed to deliver a maiden Mineral Resource at both Incahuasi and Pocitos, and expand the existing Mineral Resource at Rincon, with the aim of upgrading the Salta Project’s existing JORC Mineral Resource (ASX announcements, 23 January 2019 and 27 June 2018) to support future development plans at the Project.

Experienced local Argentinian drilling contractor Hidrotec SRL has been engaged to undertake this drilling. Power plans to drill to depths in excess of 300 metres in its upcoming drilling, to maximise the resource definition and expansion potential of the targeted lithium brine.

Funds will also be deployed to advance the Company’s existing MoU’s with key lithium industry players, Sunresin New Materials Co. Ltd (Sunresin) and Xiamen Xiangyu New Energy Co., Ltd (Xiamen Xiangyu).

Power is currently in process of sending 40 litres of brine from each of the Incahuasi and Rincon salares to be processed through Sunresin’s proprietary DLE technology. In addition, 40 litres of brine from each of the Incahuasi and Rincon salares is also being dispatched to Xiamen Xiangyu for its assessment. Progressing these MoU’s and strengthening the Company’s relationships with its MoU partners is a core focus of the Company.

Other Projects

Funds are also planned to be utilised for further drilling and test work at the Eyre Peninsula Kaolin-Halloysite Project, and for work to progress project access and exploration at the Musgrave Project.

Placement Details

The Placement consists of the issue of up to 10,576,924 shares ordinary fully paid shares (Shares) at an issue price of \$0.52 per Share, raising approximately \$5.5 million, to be completed in one tranche under the Company's Listing Rule 7.1 and 7.1A capacity. This excludes participation by Directors involving 86,539 Shares which will only be issued subject to shareholder approval at the upcoming 2022 AGM. Shares (with the exception of the Directors' participation) are scheduled to be issued on or about 21 September 2022.

The Placement price of \$0.52 per Share represents a ~10% discount to the 10-day VWAP up to date.

Power thanks existing shareholders who participated in the Placement for their continued support and welcomes new shareholders to the Company.

GBA Capital acted as lead manager to the Placement and will be paid a 6% commission on funds raised, and, subject to shareholder approval, will receive 1,500,000 unlisted options exercisable at an exercise price of \$1.04 per option on or before 31 December 2024.

Authorised for release by the Board of Power Minerals Limited.

-ENDS-

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About Power Minerals Limited

Power Minerals Limited is a diversified ASX-listed mineral resources exploration company with a portfolio of projects in demand driven commodities. It is focused on the systematic exploration and development of its projects. These include the Salta Lithium Brine Project in the prolific lithium triangle in the Salta Province in Argentina, the Eyre Peninsula Kaolin-Halloysite Project, strategically located on the Eyre Peninsula in South Australia, and the Musgrave Nickel-Copper-Cobalt-PGE Project in the Musgrave Province in northern South Australia. The Company also holds the Santa Ines Copper-Gold Project in Argentina, located in the same geological setting as BHP's world-class, nearby Escondida Copper-Gold Mine in Chile.

Competent Persons Statement

This announcement regarding the Salta Lithium project has been prepared with information compiled by Marcela Casini, MAusIMM. Marcela Casini is the Company's Exploration Manager, Argentina and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration 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". Marcela Casini consents to the inclusion in the report of the matters based on her information in the form and context in which it appears.

Forward looking Statements

This announcement contains 'forward-looking information' that is based on the Company's expectations, estimates and projections as of the date on which the statements were made. This forward-looking information includes, among other things, statements with respect to the Company's business strategy, plans, development, objectives, performance, outlook, growth, cash flow, projections, targets and expectations, mineral reserves and resources, results of exploration and related expenses. Generally, this forward-looking information can be identified by the use of forward-looking terminology such as 'outlook', 'anticipate', 'project', 'target', 'potential', 'likely', 'believe', 'estimate', 'expect', 'intend', 'may', 'would', 'could', 'should', 'scheduled', 'will', 'plan', 'forecast', 'evolve' and similar expressions. Persons reading this announcement are cautioned that such statements are only predictions, and that the Company's actual future results or performance may be materially different. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the Company's actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information.