

ASX RELEASE

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PNN

REGISTERED OFFICE**Power Minerals Limited**6/68 North Terrace
Kent Town SA 5067

t: +61 8 8218 5000

e: admin@powerminerals.com.au

w: www.powerminerals.com.au

BOARD**Stephen Ross**

Non-Executive Chairman

Mena Habib

Managing Director

James Moses

Non-Executive Director

David Turvey

Non-Executive Director

PROJECTS**Argentina**

Salta Lithium Project

Santa Ines Copper-Gold Project

AustraliaEyre Peninsula Kaolin-Halloysite
ProjectMusgrave Nickel-Copper-Cobalt-
PGE Project

Power selects Summit Nanotech to partner in Incahuasi Salar development under JV agreement that secures up to US\$3M funding

- Power executes Binding Term Sheet (BTS) with world-leader in sustainable Direct Lithium Extraction (DLE) Summit Nanotech for strategic investment and JV for its Incahuasi salar at the Salta Lithium Project in Argentina's lithium triangle
- Summit will secure a 30% interest in a proposed JV for Incahuasi via:
 - i. A strategic investment of up to US\$3m in Power, in two tranches with an initial tranche of US\$2m by subscribing in a placement of PNN Ordinary Shares at AUD\$0.50, within four weeks from the execution of the BTS; and
 - ii. Completion of successful pilot testing of the Incahuasi brines to provide key input data for a Prefeasibility Study at Incahuasi
- Summit may also earn a further 15% interest in the JV by participating in a Definitive Feasibility Study at Incahuasi
- The BTS is a pivotal agreement for Power and Summit to deliver commercial-scale production of high-quality lithium from its Argentinian assets
- Summit's patented denaLi™ DLE technology is able to produce lithium from brines with over 95% lithium recovery and over 98% impurity reduction
- Power and Summit will now undertake due diligence with a view to executing a Definitive Option Agreement by 31 October 2023

Lithium exploration and development company Power Minerals Limited (ASX: PNN) (**Power** or **the Company**) is delighted to announce that it has entered into a Binding Term Sheet (**BTS**) with world-leading Canadian direct lithium extraction (**DLE**) technology provider Summit Nanotech Corporation (BN 753314913) (**Summit**) for the funding and development of the Incahuasi salar at Power's Salta Lithium Project, in the lithium triangle of Argentina.

This represents a pivotal agreement for Power and Summit as they plan to expedite the development of its Incahuasi projects aggressively.

As part of the BTS, Summit will provide Power with a strategic equity capital investment of up to US\$3 million to drive the development of the Incahuasi salar, while also securing a partnership with Summit, and its patented denaLi™ DLE technology, with the aim of delivering commercial-scale production of high-quality lithium at Incahuasi.

Power will utilise funds from the strategic investment to expand the Incahuasi JORC Mineral Resource, and for pumping wells, water drilling and engineering studies required to complete a Prefeasibility Study (PFS) at Incahuasi.

Summit's denaLi™ world-leading DLE technology efficiently produces lithium from brine with best-in-class low freshwater use, minimal consumables, minimal greenhouse gases and low power consumption. Most significantly, Summit's DLE technology can produce greater than 95% lithium recovery and over 98% impurity reduction. The BTS seeks to combine Summit's first-in-class DLE technology with Power's expertise in systematic exploration and project development.

Under the BTS, Power and Summit will work together to enter into an Option and Joint Venture Agreement (**PNNJV**), the terms and conditions of which will be consistent with those set down in the BTS, and will be confirmed in a Definitive Option Agreement.

The execution of the Definitive Option Agreement and the completion of the matters provided for in the BTS are subject to a number of conditions including the successful completion of due diligence by both parties, to be completed by 31 October 2023 (or later date as agreed by the parties).

The PNNJV is contemplated in two stages – First Option and Second Option – as outlined below:

First Option: Summit will earn an initial 30% interest in the PNNJV, subject to and conditional on Summit:

- Subscribing for a strategic US\$2 million placement in PNN Ordinary Shares at AUD\$0.50, a 26% premium to the 20-day VWAP on the date prior to the execution of the BTS, within four weeks from the execution of the BTS;
- Subscribing for a further US\$1 million in PNN Ordinary Shares at a 25% premium to the 20-day VWAP of the PNN share price within 18 months from the execution of the BTS subject to shareholder approval;
- Completing pilot testing of Power's brines from the Incahuasi salar and delivering a performance report on the production of lithium chemical products to positively validate the use of Summit's denaLi™ technology on Incahuasi brine; and
- Contributing to a JORC (and/or NI 43-101) standard PFS at Incahuasi.

Summit's initial 30% interest in the PNNJV will vest immediately upon completion of the First Option, with PNN holding a 70% interest in the PNNJV.

In addition, Summit may earn an additional 4.9% interest in the PNNJV, if the results of the denaLi™ pilot testing meet specified performance requirements of one Tier-1 or two Tier-2 potential off-take partners.

Second Option: Summit may earn a further 15% interest in the PNNJV by electing to participate in a JORC (and/or NI 43-101) standard Definitive Feasibility Study (DFS) at Incahuasi within one year of completing the First Option. This includes completion of an onsite demonstration plant for production of lithium chemical products at Incahuasi within a further three years from the date of such election.

Subject to successful completion of the First Option and Second Option, PNN would hold a 55% interest in the PNNJV and Summit would hold a 45% interest in the PNNJV. As outlined above, Summit may earn a further 4.9% interest in the PNNJV subject to successful pilot testing results of Incahuasi brines.

The items contemplated under the PNNJV will be subject to both parties securing any requisite regulatory approvals, which in the case of PNN may include PNN shareholder approval to issue shares to Summit.

"We are delighted to enter into this agreement with DLE world leader Summit Nanotech to expedite the development of the Incahuasi salar, one of our core lithium assets within the Salta Project area. We see Summit as the ideal partner to help us unlock and maximise the value of Incahuasi for the benefit of our shareholders. Summit's combination of leading-edge proprietary DLE technology, which demonstrates excellent environmental and sustainability attributes, and Power's Incahuasi brines offer the opportunity for the parties to work together to produce commercial-scale volumes of high-quality lithium products. Power looks forward to this being the start of a long and mutually rewarding working relationship with Summit."

Power Minerals Managing Director Mena Habib.

"We are excited to partner with Power Minerals, a like-minded company that shares our vision and commitment to sustainable development together, we aim to ramp up lithium production with innovation and responsible mining practices. We are very confident in the differentiated ability Summit's technology to unlock this and other resources, effectively and more economically than any other DLE technology."

Summit Nanotech Founder and CEO Amanda Hall.

Termination

The Agreement contemplated by the BTS shall remain in full force and effect until:

- The BTS is terminated by written agreement between the parties; or
- The Definitive Option Agreement is not entered into on or prior to the Definitive Agreement deadline, of 31 October 2023 (or later date if agreed by both parties); or
- Either party provides written notice that it is not satisfied with the results of its due diligence on or prior to the Definitive Agreement deadline (or later date if agreed by both parties).

Authorised for release by the Board of Power Minerals Limited.

-ENDS-

For further information please contact:

Power Minerals Limited

E: admin@powerminerals.com.au

T: +61 8 8218 5000

Additional information is available at www.powerminerals.com.au

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.

About Summit Nanotech

Summit Nanotech Corporation is a cleantech organisation transforming how the world accesses lithium for EV batteries and the global energy transition. Their patented and sustainable direct lithium extraction (DLE) technology, denaLi™, extracts high-quality lithium from brine using a sorbent and water recovery solution, making way for a sustainable alternative to the traditional extraction process. denaLi™ will preserve natural resources and ecosystems and optimise operations for lithium producers in Chile and Argentina. Established in 2018 and headquartered in Calgary, Alberta, Summit Nanotech has been awarded to the 2022 Future 50 for fastest growing sustainability companies in Canada, the Foresight 50 for most investable cleantech venture, and the Solar Impulse Foundation's Efficient Solutions Label. Learn more at; summitnanotech.com.

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.