

ASX RELEASE

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PNN

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BOARD**Stephen Ross**

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PROJECTS**Argentina**

Salta Lithium Project

Brazil

Líftio Niobium Project

AustraliaEyre Peninsula Kaolin-Halloysite-
REE ProjectMusgrave Nickel-Copper-Cobalt-
PGE Project**Binding Funding and Development
Agreement for Pular Lithium Project**

- Power has entered into a Binding Term Sheet (BTS) for the strategic funding and development of the Pular Project at its Salta Lithium Project in Argentina
- The BTS is with lithium extraction technology provider Heng Li Technology (HENG LI) and is the first step in the pathway to deliver a lithium producing operation at the Pular Project
- HENG LI has also agreed to invest US\$50,000 in Power via a share placement (pricing details to be confirmed)
- Subject to a successful six-month due diligence process, the parties intend to execute a formal Transaction Agreement and enter a binding Joint Venture (Pular JV) to secure the funding and development of the Pular Project
- Under the proposed Pular JV;
 - Power will be responsible for securing all permits and approvals required for the development of the Project;
 - HENG LI will be responsible for the provision of the lithium enrichment and extraction technology and equipment to deliver a lithium producing operation at the Project; and
 - HENG LI will purchase 100% of the lithium chloride or lithium carbonate produced by the Project
- HENG LI's technology uses a combination of direct lithium extraction (DLE) and evaporation and has the ability to deliver cost, water and energy savings compared to DLE and evaporation methods
- Power now has funding and development agreements in place for the Incahuasi, Rincon and Pular Projects, providing a commercialisation and monetisation pathway for the core assets at its Salta Lithium Project

Power Minerals Limited (ASX: PNN, **Power** or the **Company**) is pleased to announce that it has entered into a Binding Term Sheet (BTS) with lithium extraction technology provider Heng Li Technology (HENG LI) for the strategic funding and development of the Pular Project within Power's Salta Lithium Project, in the lithium triangle of Argentina.

The BTS represents the first step in the pathway to deliver a lithium producing operation at the Pular Project, and is another milestone achievement in Power's plans to develop the Salta Project into significant lithium producing operations.

With this BTS for the Pular Project, Power now has binding term sheet agreements for the three core assets at the Salta Project – the Incahuasi Project, the Rincon Project and now the Pular Project.

Power and HENG LI will now both conduct a period of due diligence. Subject to the successful outcomes of the due diligence process, Power plans to negotiate and execute a formal Transaction Agreement and forms an incorporated Joint Venture (Pular JV) with Pular Project, designed to secure the funding and development of Pular Project into a lithium producing operation utilising HENG LI's lithium extraction technology. The amount of future funding is dependent on the due diligence process which is estimated to take six months.

Under the proposed Pular JV;

- Power will be responsible for securing all permits and approvals required for the development of the Pular Project. This will include;
 - Environmental Impact Assessment (EIA) approval for a production capacity of 3000 tons of lithium carbonate equivalent (LCE) per year;
 - Securing permits for the export of lithium concentrates in the form of lithium chloride or lithium carbonate from the Project; and
 - Securing evaporation pond approvals.
- HENG LI will be responsible for providing the required lithium enrichment and extraction technology and equipment for the Project, and for the installation of equipment onsite to deliver a lithium producing operation at the Project.

HENG LI will also purchase 100% of the lithium concentrate, in the form of lithium chloride or lithium carbonate, produced at the Project.

HENG LI's lithium extraction technology

HENG LI has successfully deployed its lithium extraction technology in Qinghai and Tibet Provinces, China, producing 9,000 tons of lithium carbonate in aggregate per year since November 2021.

Its lithium enrichment and extraction technology has environmental advantages relative to membrane and adsorption technologies in that there is no waste discharge, and it operates under a closed extraction system utilising recycled water. It also has the potential to deliver cost, water and energy savings compared to DLE and evaporation methods for lithium extraction.

“The Binding Term Sheet for the funding and development of the Pular Project is another significant step forward in our goal to advance the key assets of the Salta Lithium Project into lithium producing operations. Acknowledging the different properties of each salar within the Project, we have executed a strategy of finding the right partner to develop each project. The opportunity to partner with HENG LI to develop the Pular Project is exciting.

We now have agreements in place covering the entire JORC Resource base at the Salta Lithium Project, and we plan to develop the Pular Project in parallel with the Incahuasi and Rincon Projects, which both have funding and development agreements already in place.

We look forward to sharing details of material progress in our development plans across the Pular, Incahuasi and Rincon Projects, as we seek to maximise the opportunity to deliver significant value from these key lithium assets.”

Power Minerals Managing Director Mena Habib

Next Steps

Power and HENG LI plan to work collaboratively execute the Transaction Agreement and enter into the Pular JV. The proposed next steps are as follows;

- Due diligence to be undertaken by both parties;
- Transaction Agreement to be negotiated; and
- Transaction Agreement to be executed by both parties.

About the Pular Project

The Pular Project is located on the Pular Salar in the northwest of Salta Province, in Argentina (Figure 1). It has a JORC Mineral Resource Estimate (MRE) of 173,000t Lithium Carbonate equivalent (LCE) (ASX announcement 23 January 2019), which forms part of the Salta Project’s global JORC MRE of 714,872t LCE (ASX announcement 2 November 2023).¹

Power already has Binding Term Sheet agreements in place for the funding and development of the Incahuasi Project and the Rincon Project at the Salta Lithium Project, and now with this this BTS with HENG LI for the Pular Project, the Company has secured funding and development agreements for the three main projects within the Salta Project – and which cover the Salta Project’s total current JORC Resource base.

1. The Company believes that the material assumptions underpinning the JORC MRE in the announcements dated 23 January 2019 and 2 November 2023 have not materially changes and continue to apply.

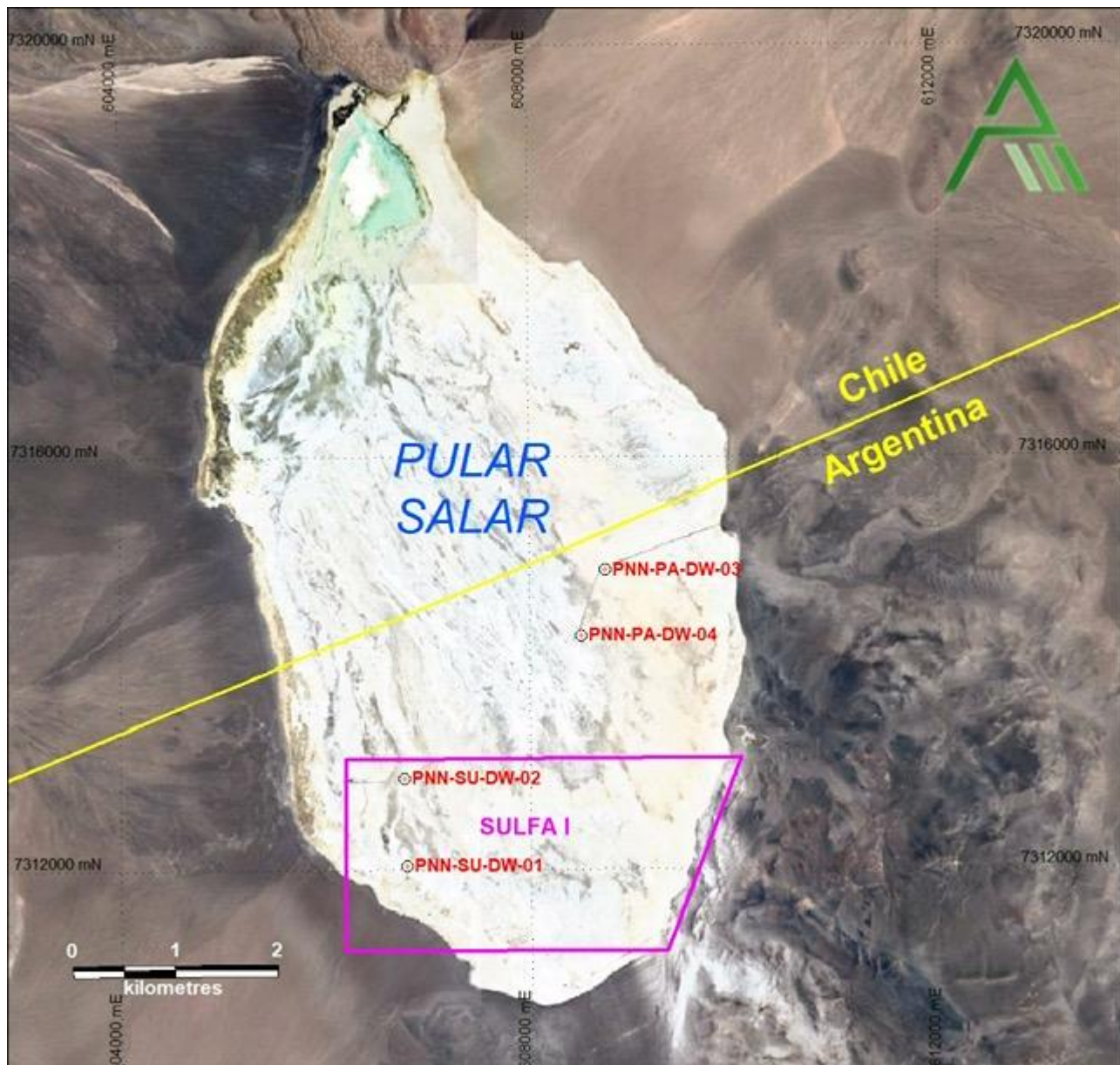


Figure 1: Salta Lithium Project location map.

Authorised for release by the Board of Power Minerals Limited.

-ENDS-

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About Power Minerals Limited

Power Minerals Limited is an ASX-listed exploration and development company. We are committed to the development of our lithium assets in Argentina into significant lithium producing operations, the exploration of the Lítio Niobium Project in Brazil and delivering value from our non-core Australian assets.

About Heng Li Technology

Heng Li Technology (HENG LI) a lithium extraction technology provider, headquartered in Zhejiang Province, China. Its main business is research and development of lithium extraction technology from salt lakes, equipment production, and development and operation of salt lakes. HENG LI has successfully deployed its lithium extraction technology in Qinghai and Tibet Provinces in China, producing 9,000 tons of lithium carbonate in aggregate per year since November 2021.