

ASX ANNOUNCEMENT

21 March 2025

ODI Approval granted for Rincon Lithium Project Joint Venture

Highlights

- Power's investment partner, Navigate Energy, in the Rincon Lithium Project Joint Venture within the Salta Lithium Project, has secured overseas direct investment (ODI) approval by the relevant Chinese regulatory authorities
- ODI Approval is a major milestone for the Rincon JV and allows the US\$4m funding to be provided by Navigate Energy to be released to the Rincon JV
- ODI Approval also allows for the incorporated Rincon JV entity to be finalised where on completion funds will be progressively released to the Rincon JV, initially as follows;
 - US\$1m to repay the Convertible Loan provided to Power by Legendary Star; and
 - US\$400,000 to be paid to Power as consideration for the Rincon JV's acquisition of Power's Pocitos Lithium Project
- The balance of funds (~US\$2.6m) is planned to be deployed for project development

Power Minerals Limited (ASX: **PNN**, **Power** or **the Company**) is pleased to announce that overseas direct investment approval (**ODI Approval**) in respect of its Rincon Lithium Project Joint Venture (**Rincon JV**) within the Company's Salta Lithium Project, in the lithium triangle of Argentina, has been granted by the relevant Chinese regulatory authorities.

The ODI Approval is a major requisite milestone for Power and the Rincon JV. It allows Power's investment partner in the Rincon JV, Navigate Energy Technology Limited (**Navigate Energy**), to release the US\$4 million in funding to the Rincon JV – as set down in the Rincon JV agreement (**Rincon JVA**) (ASX announcement 2 September 2024 and updated in ASX announcement 26 February 2025) – to advance the development of the Rincon JV.

ODI Approval was also a precondition for the incorporation of the Argentinian Rincon JV entity, and with this now secured, Power will move forward with finalising the incorporation of the Rincon JV legal entity.

Under the ODI Approval, investment funds are to be progressively released to the Rincon JV as required and directed by the joint venture's shareholders, Power and Navigate Energy. This will ensure that Project funding is tied to agreed costs as the Rincon JV incurs them.

Background

Power entered into the Rincon JVA for the development of the Rincon Project in Q3 2024 (ASX announcement 2 September 2024) and recently agreed revised JVA terms via a Binding Memorandum of Understanding (**MOU**) (ASX announcement 26 February 2025).

Under the MOU, Power's Pocitos Lithium Project (**Pocitos Project**) is to be acquired by the Rincon JV. The Pocitos Project is strategically located 30km south of the Rincon Project and hosts key infrastructure required to develop a lithium carbonate production and operations hub for the Rincon JV (Figure 1).

Rincon is the most advanced asset within Power's wider Salta Lithium Project. The ability to process lithium from the Rincon Project at the proposed nearby Pocitos production hub, which has connecting transport infrastructure, will provide significant benefit to the Rincon JV and add economies of scale.

Following incorporation of the Rincon JV, the Rincon JV partners will initially release US\$1.4 million to repay a US\$1 million provided by Legendary Star Investment Asia Pte. Ltd. (**Legendary Star**) to Power under a Convertible Loan Agreement (**CLA**), and to remit US\$400,000 to Power as consideration for the acquisition of the Pocitos Project by the Rincon JV.

Further details of the updated Rincon JVA (as set down in the Binding MOU) are provided in ASX announcement of 26 February 2025.

Power and Ultra Lithium settlement payments

Power advises it has varied the settlement payment terms with Ultra Lithium Inc. (TSXV: **ULT**) (**Ultra Lithium**) relating to the recovery of the final amount outstanding under a convertible loan agreement (**CLA**) between the companies (original CLA ASX announcement 16 May 2023).

Under the 4 December 2024 settlement agreement (**Settlement Agreement**), the compromise provided that Ultra Lithium transfer of all of the minerals claims held by its Canadian subsidiary North Canada Lithium Corp. (**Mineral Properties**) and pay A\$300,000 in cash, by paying A\$50,000 on 5 December 2024 and the remaining A\$250,000 within 60 days of the Settlement Agreement date (**Cash Payments**) (ASX announcement 20 November 2024).

Both the transfer of the Mineral Properties and the first of the Cash Payments were made in accordance with Settlement Agreement. To allow Ultra Lithium sufficient time to raise funds to make the final payment of A\$250,000, Power has agreed to a variation to the repayment terms. Power to receive A\$50,000 on 21 March 2025 and will receive two further payments of A\$50,000 on 15 April 2025 and a final payment of A\$100,000 on 30 April 2025. The final 30 April 2025 payment will conclude matters regarding the CLA.

“Securing ODI Approval is a major material milestone and endorsement of the Rincon Joint Venture. It unlocks the US\$4 million in funding to be provided to the joint venture by our joint venture partner Navigate Energy, with US\$1 million to be utilised to payout the Convertible Loan commitment and US\$400,000 to be paid to Power as consideration for the joint venture’s acquisition of the Pocitos Project. The balance of funds will be deployed for Rincon JV project development.

With ODI Approval granted, we are also able to move forward to finalise the incorporation of the Rincon Project joint venture company, and, once done, release funds to the joint venture and commence project development work programs.”

Mena Habib, Managing Director of Power Minerals Limited

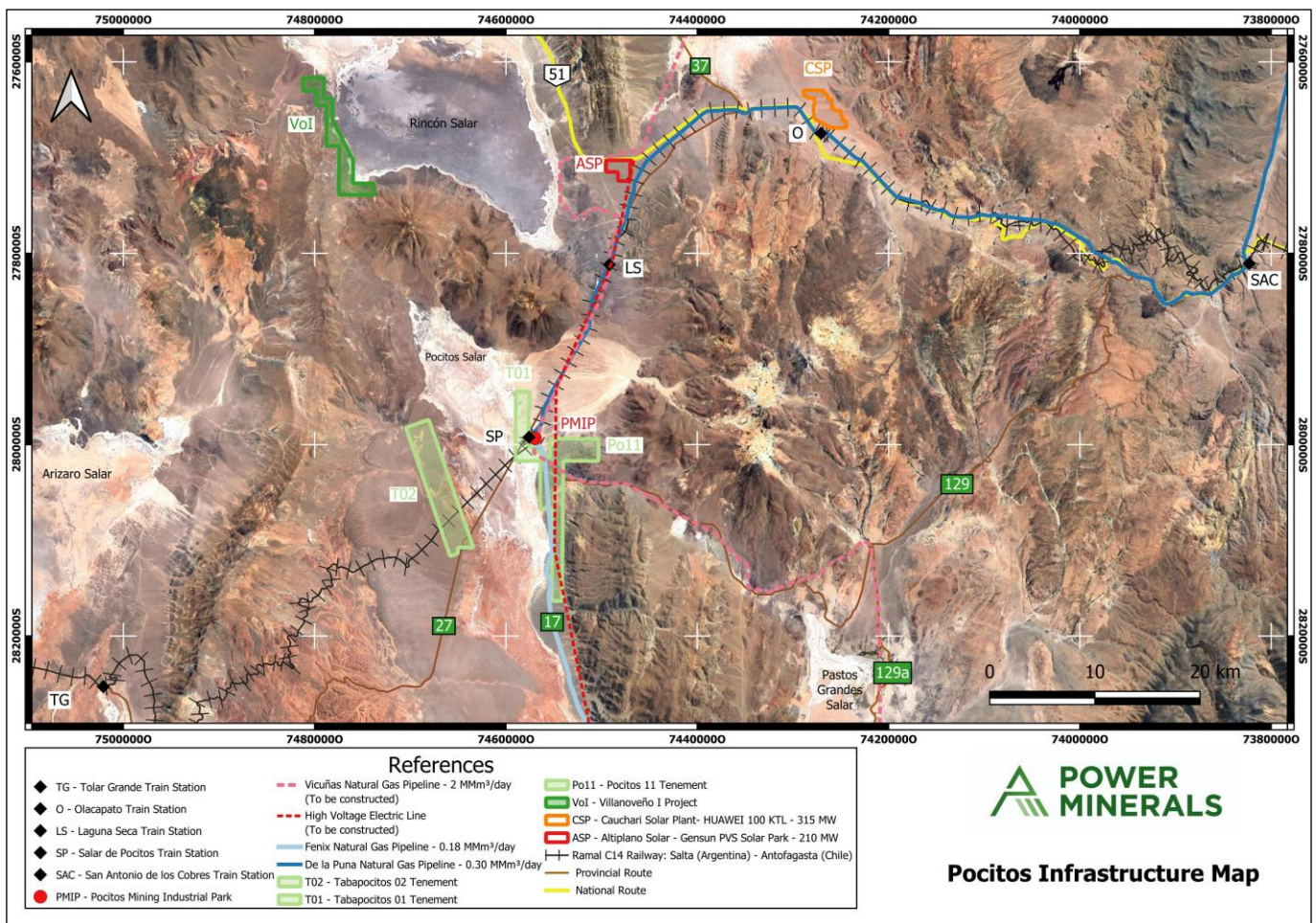


Figure 1: Power’s Pocitos Project area with key infrastructure also shown.

Authorised for release by the Board of Power Minerals Limited.

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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 our niobium prospective assets in Brazil and delivering value from our non-core Australian assets.