

ASX RELEASE

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ASX CODE

PNN

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PROJECTS

Argentina
Salta Lithium Project

Santa Ines Copper-Gold Project

Australia
Eyre Peninsula Kaolin-Halloysite
Project

Musgrave Nickel-Copper-Cobalt-
PGE Project

Power and Xiamen Xiangyu extend Salta Lithium Project MoU

- **Memorandum of Understanding (MoU) with Xiamen Xiangyu New Energy Co., Ltd extended to allow for completion of due diligence process**
- **Final component of due diligence is the successful delivery of Preliminary Economic Assessment (PEA) at the Rincon Salar – expected to be completed H1, calendar 2023**
- **Under the MoU, the parties are undertaking due diligence with a view to executing binding funding, logistics and offtake agreements for the Salta Project Lithium Project**
- **Subject to the successful completion of the PEA, the parties plan to move to execute binding agreements**
- **Xiamen Xiangyu provides end-to-end supply chain solutions for battery metals, sourcing supply of lithium, nickel and cobalt for battery manufacturers**
- **Mineral Resource drilling campaign and PEA programs are ongoing as part of plans to fast-track development at the Salta Lithium Project**

Diversified minerals company Power Minerals Limited (ASX: PNN) (**Power** or **the Company**) is pleased to announce it has extended its Memorandum of Understanding (**MoU**) with Xiamen Xiangyu New Energy Co., Ltd (**Xiamen Xiangyu**).

Power and Xiamen Xiangyu entered into the MoU in July 2022 (ASX announcement, 11 July 2022) allowing both parties to conduct due diligence with a view to executing binding off-take, funding, logistics and offtake agreements for Power's Salta Lithium Project, in the Salta province in the lithium triangle of north-west Argentina (**Project**).

The initial timeframe set-down under the MoU for the parties to execute a binding agreement was 180 days from date of execution of the MoU.

Power advises that the due diligence has progressed extremely well with both parties working collaboratively throughout the process.

Xiamen Xiangyu recently completed a successful 40 litre bulk-sample test of brines from each of the Incahuasi, Rincon and Pocitos salares at the Salta Project, which confirmed the brine quality and suitability from each salar (ASX announcement, 17 November 2022).

Xiamen Xiangyu will now conduct a site visit to the Salta Project as a next step in the due diligence process. The final component of due diligence is the successful delivery of the Preliminary Economic Assessment (**PEA**) currently underway at the Rincon salar (ASX announcement, 8 December 2022).

The PEA is expected to be completed in the first half of calendar 2023, and Power and Xiamen Xiangyu have agreed to extend the MoU until the completion of the PEA. Subject to the successful completion and outcomes of the PEA, the parties then plan to move to execute a binding agreement in respect of funding, logistics and offtake for the Salta Project.

“We have been delighted with the progress of our MoU with Xiamen Xiangyu and the working relationship we have developed with them. The successful completion of the Rincon PEA will be the final step in the due diligence process, and both parties are pleased to extend the MoU to allow for its completion.”

Power Minerals Managing Director, Mena Habib

Xiamen Xiangyu is part of Xiamen Xiangyu Co., Ltd, a diversified fortune-500, Shanghai Stock Exchange-listed (SSE: 600057) supply chain and logistics company. Xiamen Xiangyu provides an end-to-end supply chain for battery technology metals, sourcing supply of lithium, nickel, cobalt and other raw materials for processing plants and battery manufacturers and end-use by automobile manufacturers and other battery technology industries.

Further details on the MoU between Power and Xiamen Xiangyu are provided in ASX announcement of 11 July 2022. The MoU is non-binding and is not exclusive.

There is no guarantee that a binding agreement will be entered into.

About the Salta Lithium Project

The Salta Project is strategically located in the Salta province in north-west Argentina and is part of the Lithium Triangle, the world’s leading lithium-brine region. The Project consists of five salares (salt lakes) that sit within seven mining leases, over a total project area of 147.07km². The Project’s Incahuasi salar is located immediately adjacent to Ganfeng Lithium Co. Ltd’s project and the Rincon salar is adjacent to Rio Tinto Ltd’s project in the region, which was recently acquired from Rincon Mining Ltd for US\$825 million. Power is focused on the accelerated exploration and development of the Project, to drive shareholder value.

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.

About Xiamen Xiangyu New Energy Co., Ltd

Xiamen Xiangyu New Energy Co., Ltd (Xiamen Xiangyu) is part of Xiamen Xiangyu Co.,Ltd, a diversified fortune-500, Shanghai Stock Exchange-listed (SSE: 600057) supply chain and logistics company. It has more than 10,000 employees and its revenue exceed ¥460 billion in 2021. Xiamen Xiangyu provides an end-to-end supply chain for battery technology metals, sourcing supply of lithium, nickel, cobalt and other raw materials for processing plants and battery manufacturers and end-use by automobile manufacturers and other battery technology industries.

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.