

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

PROJECTS

Argentina
Salta Lithium Project

Santa Ines Copper-Gold Project

Australia
Eyre Peninsula Kaolin-Halloysite
Project

Musgrave Nickel-Copper-Cobalt-
PGE Project

Xiamen Xiangyu Advances MOU with Power for Funding, Offtake and Logistics at Rincon Salar

- **Xiamen Xiangyu New Energy Co., Ltd will advance its Memorandum of Understanding (MoU) after release of Power's robust Preliminary Economic Assessment (PEA) for the Rincon salar**
- **Power's successful completion of the PEA represented the final component of Xiamen Xiangyu's due diligence process for the Rincon salar**
- **Xiamen Xiangyu has sent brines from Rincon for independent third-party testing by a lithium battery manufacturer in China**
- **Power will advise results of brine testing in due course.**

Lithium exploration and development company Power Minerals Limited (ASX: PNN) (**Power** or **the Company**) is pleased to provide the following update on its non-binding Memorandum of Understanding (**MoU**) with global lithium supply chain group Xiamen Xiangyu New Energy Co., Ltd (**Xiamen Xiangyu**).

Power and Xiamen Xiangyu signed the MoU in July 2022 (ASX announcement, 11 July 2022) under which both parties conducted 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).

Due diligence has progressed extremely well, with Xiamen Xiangyu completing a successful 40-litre bulk-sample test of brines from three different salares at the Salta Project, which confirmed brine quality at each salar (ASX announcement, 17 November 2022).

The final component of Xiamen Xiangyu's due diligence was the successful delivery of Power's Preliminary Economic Assessment (PEA) at the Rincon salar last week (ASX Announcement 29 November 2023). The PEA delivered outstanding project economics, which confirmed the Rincon salar's potential to become a significant long-life supplier of high purity, battery-grade lithium carbonate equivalent (ASX announcement, 29 November 2023).

Based on the successful outcomes of the PEA, the parties have now moved to the next stage of the MoU, with a view to executing binding agreements in respect of funding, logistics and offtake for the Rincon salar.

As a next step in this process, Xiamen Xiangyu has provided Rincon brines to its battery manufacturer, for qualification testing at its facility in China. This independent testing will assist future funding and offtake negotiations in respect of the Rincon salar.

“We are excited to progress our relationship with Xiamen Xiangyu. The final piece of the due diligence process was the delivery of a successful PEA for the Rincon salar, and with the PEA delivering robust project economics, Xiamen Xiangyu is keen to advance the MoU, with independent third-party testing of the Rincon brines. Successful outcomes from this work would represent another step towards securing binding funding and offtake agreements for the Rincon salar.”

Power Minerals Managing Director Mena Habib

Further details of Power’s MoU with Xiamen Xiangyu is included in the ASX announcement of 11 July 2022.

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 an ASX-listed lithium-focused exploration and development company, committed to the systematic exploration and development of its core asset, the Salta Lithium Brine Project in the prolific lithium triangle in the Salta Province in Argentina. It is currently undertaking a major JORC Mineral Resource expansion drilling campaign at Salta, and is focused on expediting development of the Project in to a potential, future lithium producing operation. Power also has a portfolio of other assets in key, demand-driven commodities including; kaolin-halloysite and REE plus nickel-copper-cobalt and PGEs.

About Xiamen Xiangyu New Energy Co., Ltd

Xiamen Xiangyu New Energy Co., Ltd (Xiamen Xiangyu) is part of the Xiamen Xiangyu Group Corporation, a diversified fortune-500, Shanghai Stock Exchange-listed (SSE: 600057) supply chain and logistics company. It has more than 7,000 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 an experienced and highly qualified hydrologist working with PNN Argentina and Steven Cooper, FAusIMM, PNN Exploration Manager. They have 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.