

ASX RELEASE

17 November 2022

ASX CODE

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
Executive Director

James Moses
Non-Executive Director

David Turvey
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 Completes Successful Bulk-Sample Test of Salta Brines

- **Xiamen Xiangyu New Energy Co., Ltd (Xiamen Xiangyu) has successfully completed a 40 litre bulk-sample test from each of the Incahuasi, Rincon and Pocitos salares at Power's Salta Lithium Project**
- **Power has a MoU with Xiamen Xiangyu to conduct due diligence and enter into negotiations with a view to executing a binding off-take, funding and logistics agreement for the Salta Project**
- **The successful bulk-sample test is another positive step in Power's development plans for the Project. Xiamen Xiangyu and Power will conduct a site visit to the Project as a next step in progressing towards a binding agreement**
- **Xiamen Xiangyu New Energy Co., Ltd (Xiamen Xiangyu) is part of the Fortune-500, Shanghai Stock Exchange-listed parent company Xiamen Xiangyu Co., Ltd**
- **Xiamen Xiangyu provides end-to-end supply chain solutions for battery metals, sourcing supply of lithium, nickel, cobalt for battery manufacturers**
- **Power is currently undertaking a major Mineral Resource definition drilling campaign at the Salta Project**

Diversified minerals company Power Minerals Limited (ASX: PNN) (**Power** or **the Company**) is pleased to announce that global lithium supply chain group Xiamen Xiangyu New Energy Co., Ltd (Xiamen Xiangyu) has completed a successful bulk-sample test of brines from Power's Salta Lithium Project, in the lithium triangle of north-west Argentina (Figure 1).

The bulk-sample testing involved 40 litres of brine being extracted from each of the Incahuasi, Rincon and Pocitos salares at the Salta Project, which was then sent to Xiamen Xiangyu for its assessment.

Xiamen Xiangyu has successfully completed its testing program and has advised Power that the brine quality from each salar is of sufficient high quality for Xiamen Xiangyu to progress its Memorandum of Understanding (MoU) with Power (ASX announcement, 11 July 2022).

Under the MoU, both parties will conduct due diligence and enter negotiations with a view to executing a binding off-take, funding and logistics agreement for the Salta Project.

With the successful completion of Xiamen Xiangyu 's bulk-sample testing of the Salta brines, Xiamen Xiangyu management now plan to conduct a site visit to the Salta Project with Power management personnel, as a next step in progressing towards the proposed execution of a binding agreement.

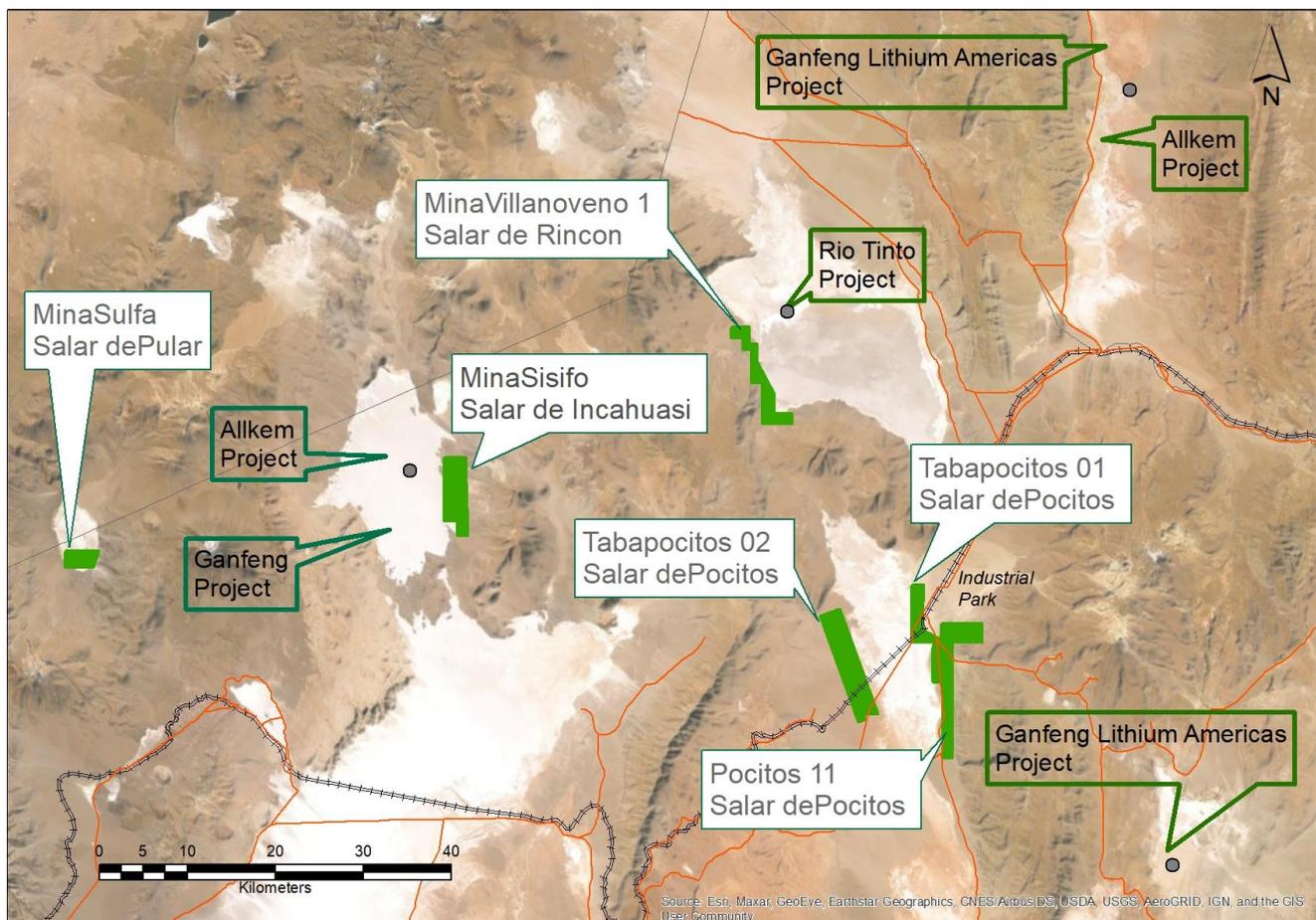


Figure 1: Salta Lithium Brine Project location map, north-west Argentina (PNN licenses in green)

“The successful bulk-sample test by Xiamen Xiangyu represents another positive step in Power’s development plans for the Salta Project, and comes after its Direct Lithium Extraction (DLE) MoU partner Sunresin New Materials Co. Ltd. (Sunresin), completed its own successful bulk-sample test of the Salta brines the previous month. The positive outcome of Xiamen Xiangyu’s bulk-sample testing helps further cement our working relationship, and we look forward to continuing to progress our MoU towards a binding agreement.”

Power Minerals Executive 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.

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

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 Rincon Mining Ltd, recently acquired by Rio Tinto Ltd for US\$825 million.

Power is in process of assessing appropriate potential commercial development pathways for the Project. These may include the adoption of DLE at the Project, and/or a potential hybrid strategy utilising DLE on the blended brines.

The use of DLE technology has the potential to reduce the environmental impact of any future lithium producing operation at Salta. Power is currently undertaking a resource definition drilling campaign at the Project.

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 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 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 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.