

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

Geophysics survey underway to support resource drilling and water studies at Salta Lithium Project

- **Vertical Electrical Sounding (VES) geophysics survey commences at Incahuasi salar; to be followed by Rincon and Pocitos salares**
- **VES surveys designed to;**
 - **Support resource definition drilling at Incahuasi;**
 - **Identify additional lithium brines for resource drilling at Pocitos and Rincon; and**
 - **Identify potential near-surface fresh water in adjacent alluvial fans for future Direct Lithium Extraction (DLE) processing operations**
- **Site access to Incahuasi complete and construction of drilling platforms is underway for drilling to commence this Quarter**
- **VES surveys to provide key inputs to Power's water management plans and support positive ESG outcomes**
- **Power continues to strengthen relationships with contractors, suppliers and local communities within the Salta province**

Diversified minerals company Power Minerals Limited (ASX: **PNN**) (**Power** or **the Company**) is pleased to announce the commencement of Vertical Electrical Sounding (**VES**) geophysics surveys at its Salta

Lithium-Brine Project, in the Salta province in the lithium triangle of north-west Argentina (Figure 1).

VES surveys are planned for the Incahuasi, Rincon and Pocitos salares at the Salta project, commencing at Incahuasi and then progressing to the other two salares. Power is focused on expanding the JORC Mineral Resource base at the Salta Project.

The geophysical surveys will play an important role in supporting its near-term resource drilling programs and water management plans, which will feed into environmental studies and approvals for the proposed future development of the Project.

“The VES geophysics surveys are important for effective planning of lithium exploration, to identify potential new lithium brine resources and, importantly, to increase our understanding of both lithium brine distribution and the near surface freshwater environment. Knowledge and availability of fresh water will be critical to successful project development and positive community relationships in the arid Puna region of Argentina”.

Power Minerals Executive Director, Mena Habib

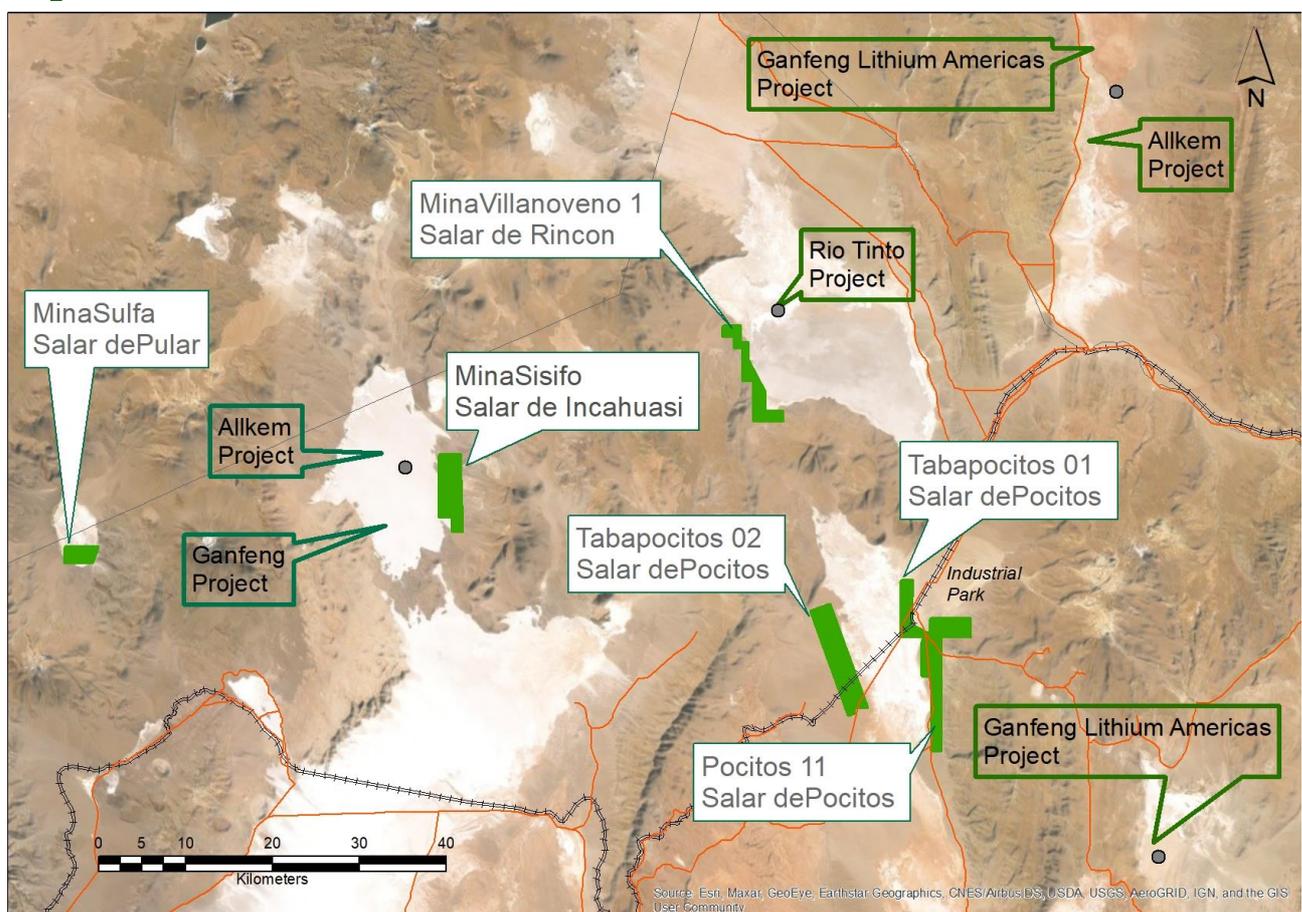


Figure 1: Salta Lithium Brine Project location map, north-west Argentina (PNN licenses in green)

Strategy for VES geophysics program

The VES survey at Incahuasi is underway and is expected to be completed in around three weeks (Figures 2 and 3). The results will be used to assess potential lithium brine under alluvial fans adjacent to the active salar, and also to assess potential for near surface fresh water aquifers in the alluvial fans.

Results will be interpreted in combination with a previous Transient Electromagnetic (TEM) geophysical survey conducted at the Incahuasi salar (ASX announcements, 21 November and 24 December 2018).

This interpretation will then be utilised to support planning of Power's upcoming resource definition drilling at the Incahuasi salar, located immediately adjacent to Ganfeng Lithium Co. Ltd's lithium brine project (ASX announcement, 27 June 2022).

This process will then be repeated at the Pocitos and Rincon salares, with the interpretation of the VES surveys to be combined with Power's previous geophysics surveys, and lithium exploration database, to support planning for potential lithium brine resource definition drilling at Pocitos and Rincon over the next 4-6 months. See Figures 4, 6 and 7 for planned geophysics stations at each of the three salares.

Based on the results of the VES surveys at Pocitos and Rincon North, lithium brine resource drilling will be planned at the Pocitos salar, which is strategically located adjacent to rail and road infrastructure, a gas pipeline, and the Pocitos community. Drilling will also be planned for Rincon North, with the aim of adding to the existing resource at Rincon (ASX announcement, 26 June 2018). This drilling will follow the drilling at Incahuasi.

The VES geophysical survey program is expected to take around three weeks to complete.

VES surveys are highly effective in identifying and defining freshwater/brine interface in alluvial fans adjacent to the salares. The surveys will also provide key inputs to Power's water management plans and support positive environmental, social and governance (ESG) outcomes.

Fresh water is a highly valuable resource in the arid Puna region of Argentina and is a critical input to possible future Direct Lithium Extraction (DLE) processing operations at the Salta Project.



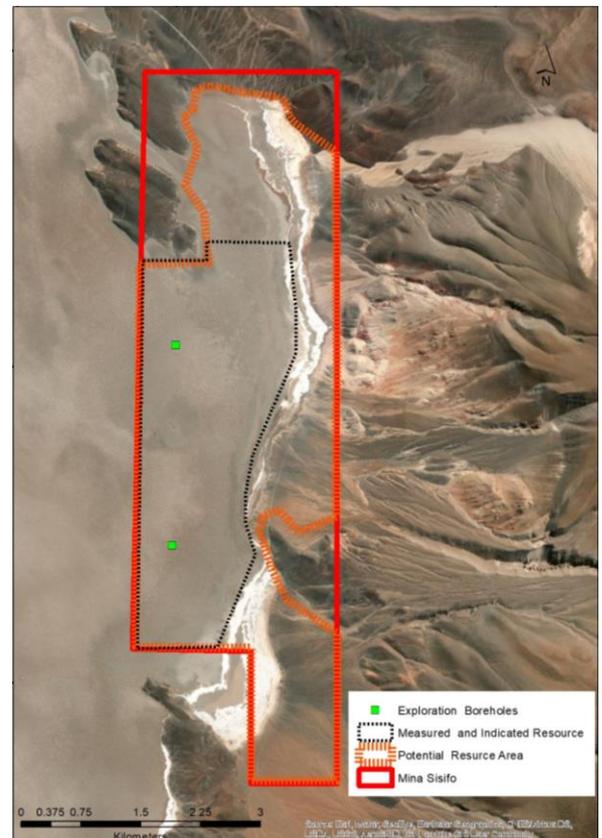
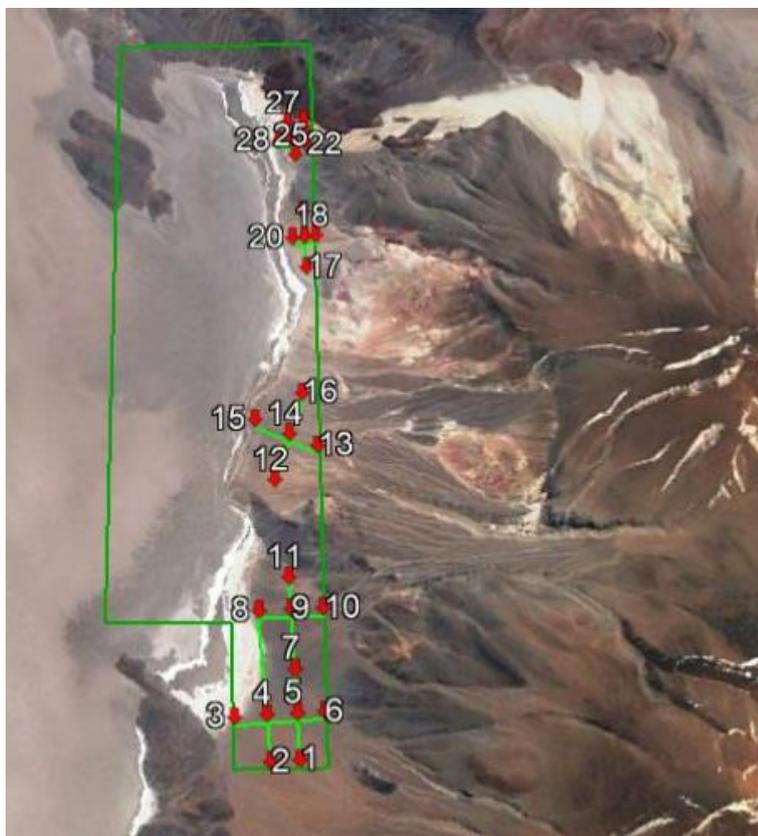
Figure 2: Road repair to provide access for VES geophysics survey team and drilling rig, Incahuasi salar (Note: costs are being shared by Ganfeng Argentina)



Figure 3: Preparation for VES geophysics survey, Incahuasi salar.

The VES surveys will be undertaken by Mercoaguas - Hydrogeology and Environmental Services, a Salta-based contractor specialising in geophysics, hydrology and environmental surveys, with significant experience and expertise in the geology, geomorphology and hydrology of the Puna region, Argentina.

Power aims to utilise local Salta-based contractors wherever possible in conjunction with local communities, as we continue to strengthen our working relationships in the region.



Figures 4 & 5: planned VES geophysics stations (#1-28) at Incahuasi salar (left) and drillhole locations and potential lithium brine resource area (right).

Resource expansion drilling to commence this Quarter

Power plans to commence resource expansion drilling at Incahuasi this Quarter. This drilling is planned to consist of two diamond drill holes for a total of 1,000m (Figure 5). The program is designed to deliver a maiden JORC Mineral Resource at the Incahuasi salar, which will add to the existing total Mineral Resource at the Salta Project (ASX announcements, 23 January 2019 and 27 June 2018).

All permits for drilling have been granted, site access is underway and a drilling contractor has been identified. Drilling is expected to be completed in approximately two months, and is then planned to move to Pocitos and then Rincon North.

Power is committed to expanding the scale and scope of the Salta Project, and a key component of these plans is to increase the existing Mineral Resource base, to support future development plans.



Figure 6: Pocitos salar and PNN licenses showing location of planned VES geophysics stations (#38-48).

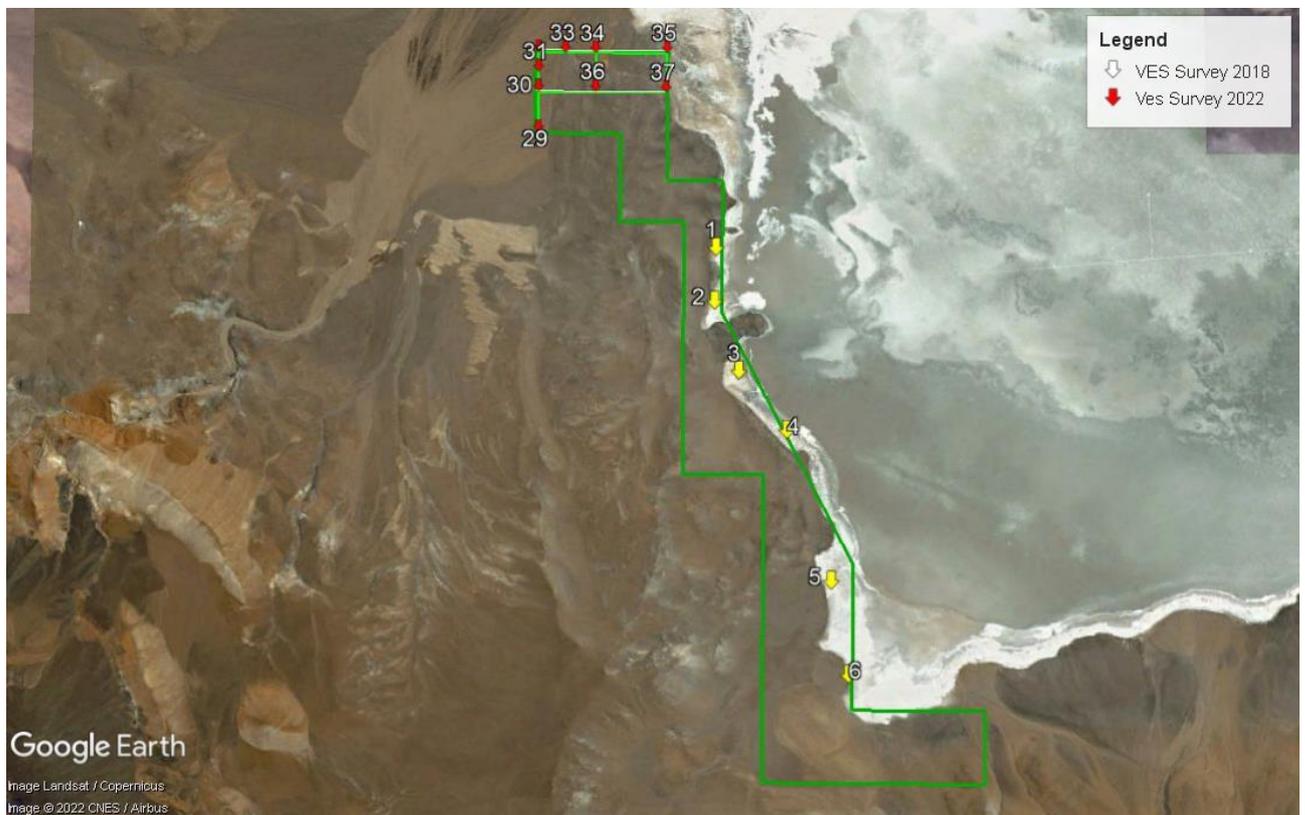


Figure 7: Rincon salar and PNN Villanoveno 1 license showing location of planned VES geophysics stations (#29-37) and previous 2017 geophysics stations (SEV01-06).

Salta Project - Next Steps

- Lithium brine resource drilling and resource estimates at Incahuasi, Pocitos and North Rincon, supported by geophysical surveys.
- Industrial and freshwater drilling; and water purification studies as input to DLE test work and DLE Pilot Plant studies for each salar and blended brines.
- Once Sunresin has tested the Salta brines utilising its DLE technology, the parties plan to move to complete a Preliminary Economic Assessment (PEA) for DLE at the Salta Project (subject to results).
- Progress Power's MoU with the global lithium supply chain group Xiamen Xiangyu. Under this MoU, Power and Xiamen Xiangyu plan to enter into negotiations with a view to executing a binding off-take, funding and logistics agreement.
- Corporate activity on evaluating investment in additional lithium brine licenses that complement the current asset base of Power's Salta Lithium Project.

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 commercial evaluation and development pathways for the Project, including the use of DLE technologies and the potential of a staged hybrid development strategy.

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.

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.