

ASX RELEASE

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PNN

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PROJECTS**Argentina**

Salta Lithium Project

Santa Ines Copper-Gold Project

AustraliaEyre Peninsula Kaolin-Halloysite
REE ProjectMusgrave Nickel-Copper-Cobalt-
PGE Project

Power executes Binding Term Sheet with Summit Nanotech for funding and development of Incahuasi Salar

- Power and its direct lithium extraction (DLE) technology partner Summit Nanotech have executed the Binding Term Sheet (BTS) for the funding and development of Power's Incahuasi salar at the Salta Lithium Project in Argentina's lithium triangle
- The execution of the BTS is a key step in the parties' mutual goal to unlock the value of the Incahuasi salar and deliver commercial-scale production of high-quality lithium
- The parties now plan to enter into an Option and Joint Venture Agreement, in two stages – as outlined below:
- Summit will secure a 30% interest in the proposed JV via:
 - i. A strategic investment of up to US\$3m in Power, in two tranches with an initial tranche of US\$2m by subscribing in a placement of PNN Ordinary Shares at AUD\$0.50 – 1st tranche has been completed; and
 - ii. Completion of successful pilot testing of the Incahuasi brines to provide key data for a Prefeasibility Study at Incahuasi
- Summit has the option to earn up to 45% in the project if they contribute an on-site demonstration plant (up to 1000t) testing, and Feasibility Study at an expected cost of USD \$20M, delivering enhanced project value

Lithium exploration and development company Power Minerals Limited (ASX: PNN) (**Power** or **the Company**) is pleased to announce that it has executed the Binding Term Sheet (**BTS**) with Canadian direct lithium extraction (**DLE**) technology provider Summit Nanotech Corporation (BN 753314913) (**Summit**) for the funding and development of the Incahuasi salar at Power's Salta Lithium Project, in the lithium triangle of Argentina.

Power and Summit first announced the BTS in August 2023 (ASX announcement 14 August 2023), and are now delighted to have executed the BTS after completing due diligence and agreeing to updated terms to the BTS.

The BTS summarises the principal commercial terms for the Option and Joint Venture Agreement (the “PNNJV”), the parties propose to enter for the funding and development of the Incahuasi salar.

The terms and conditions of the PNNJV will be consistent with those set down in the BTS, and will be confirmed in a Definitive Option Agreement.

Based in Canada, Summit is an emerging world-leader in direct lithium extraction (DLE) technology. Its denaLi™ DLE technology efficiently produces lithium from brine with best-in-class low freshwater use, minimal consumables, minimal greenhouse gases and low power consumption.

Summit’s DLE technology can produce LiCl with greater than 95% lithium recovery and over 98% impurity reduction. The BTS seeks to combine Summit’s first-in-class DLE technology with Power’s expertise in systematic exploration and project development.

The PNNJV is contemplated in two stages – First Option and Second Option – as outlined below:

First Option: Summit will earn an initial 30% interest in the PNNJV, subject to and conditional on Summit:

- Subscribing for a strategic US\$2 million (\$3.125 million) placement in PNN Ordinary Shares at AUD\$0.50, a 26% premium to the 20-day VWAP on the date prior to the execution of the BTS, within four weeks from the execution of the BTS – this has been completed and the funds received by Power;
- Subscribing for a further US\$1 million in PNN Ordinary Shares at a 25% premium to the 20-day VWAP of the PNN share price within 18 months from the execution of the BTS subject to shareholder approval;
- Completing pilot testing of Power’s brines from the Incahuasi salar and delivering a performance report on the production of lithium chemical products to positively validate the use of Summit’s denaLi™ technology on Incahuasi brine; and
- Contributing to a JORC (and/or NI 43-101) standard PFS at Incahuasi.

Summit’s initial 30% interest in the PNNJV will vest immediately upon completion of the First Option, with PNN holding a 70% interest in the PNNJV.

Second Option: Summit may earn a further 15% interest in the PNNJV by electing to participate in a JORC (and/or NI 43-101) standard Definitive Feasibility Study (DFS) at Incahuasi within one year of completing the First Option. This includes the completion of an onsite demonstration plant for the production of lithium chemical products at Incahuasi within a further three years from the date of such election.

- Subject to successful completion of the First Option and Second Option, PNN would hold a 55% interest in the PNNJV and Summit would hold a 45% interest in the PNNJV.

In addition, Summit may earn an additional 4.9% interest in the PNNJV, if the results of the product produced by denaLi™ meets specified quality requirements of one Tier-1 or two Tier-2 potential off-take partners.

The items contemplated under the PNNJV will be subject to both parties securing any requisite regulatory approvals, which in the case of PNN may include PNN shareholder approval to issue shares to Summit.

Further details on the BTS are provided in ASX announcement of 14 August 2023.

Technical Committee

Power and Summit will now establish a Technical Committee to provide management and technical oversight to help ensure the successful completion of the First Option obligations. The Technical Committee will consist of two members appointed by Power and two members appointed by Summit. Power will appoint the chair of the Technical Committee.

“We are delighted with the progress of our partnership with Summit, and the execution of the Binding Term Sheet is another key step in our mutual goal to unlock the value of the Incahuasi salar for the benefit of our shareholders. Summit has already completed first phase testing of Incahuasi lithium-bearing brines and successfully completed its due diligence pursuant to the BTS. In addition, we have received the first tranche - \$3.125 million AUD - of Summit’s strategic investment under the BTS, and Summit has engaged a global engineering consultancy firm to undertake pre-feasibility stage design and engineering at Incahuasi.

We look forward to continuing our collaborative partnership with Summit and to progressing to executing the binding joint venture to secure the development of the Incahuasi salar.”

Power Minerals Managing Director Mena Habib.

Authorised for release by the Board of Power Minerals Limited.

-ENDS-

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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-REE, nickel-copper-cobalt and PGEs plus copper-gold.

About Summit Nanotech

Summit Nanotech Corporation is a cleantech organisation transforming how the world accesses lithium for EV batteries and the global energy transition. Their patented and sustainable direct lithium extraction (DLE) technology, denaLi™, extracts high-quality lithium from brine using a sorbent and water recovery solution, making way for a sustainable alternative to the traditional extraction process. denaLi™ will preserve natural resources and ecosystems and optimise operations for lithium producers in Chile and Argentina. Established in 2018 and headquartered in Calgary, Alberta, Summit Nanotech has been awarded to the 2022 Future 50 for fastest growing sustainability companies in Canada, the Foresight 50 for most investable cleantech venture, and the Solar Impulse Foundation's Efficient Solutions Label. Learn more at summitnanotech.com.

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". They consent 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.