

**ASX RELEASE**

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PNN

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**BOARD**

**Stephen Ross**  
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**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

## Power enters into MoU with Global Lithium Supply Chain Group for development of Salta Lithium Project

- Power Minerals has signed a Memorandum of Understanding (MoU) with Xiamen Xiangyu New Energy Co., Ltd for the parties to conduct due diligence in respect of Power's Salta Lithium Project
- Under the non-binding MoU, the parties will enter into negotiations with a view to executing a binding off-take, funding and logistics agreement in due course
- Xiamen Xiangyu New Energy Co., Ltd (Xiamen Xiangyu) is part of the Fortune-500, Shanghai Stock Exchange-listed 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
- Xiamen Xiangyu has direct investment in battery's cathodes manufacturer in China.
- Timeframe for binding agreement is 180 days from date of execution of MoU
- Parties will now conduct due diligence and work towards executing a binding agreement

Diversified minerals company Power Minerals Limited (ASX: PNN) (**Power or the Company**) is pleased announce it has entered into a non-binding Memorandum of Understanding (**MoU**) with Xiamen Xiangyu New Energy Co., Ltd (**Xiamen Xiangyu**).

The MoU allows both parties to conduct due diligence investigations and enter negotiations with a view to executing a binding off-take, funding and logistics agreement for the Salta Lithium-Brine Project, in the Salta province in the lithium triangle of north-west Argentina (**Project**).

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.

**"This MoU represents another significant step forward in Power's development and monetisation plans for the Salta Project. Xiamen Xiangyu is vastly experienced in the provision of closed-loop supply chain solutions for battery metals, and we look forward to working with them to fast-track the development of the Salta Lithium Project."**

**Power Minerals Executive Director, Mena Habib**

**Under the terms of the MoU, Power and Xiamen Xiangyu will conduct due diligence and enter into discussions in respect of a binding agreement, under which Xiamen Xiangyu may;**

- Enter into off-take arrangements in respect of future brine and/or lithium concentrate from the Project. Xiamen Xiangyu's end-user for its lithium supply agreements is global vehicle manufacturer Volkswagen;
- Procure funding for the Project to support development milestones;
- Provide plans for the extraction and sale of the Project's brine and/or lithium concentrate;
- Take advantage of its market channels in China to achieve the extraction and sale of brine and/or the production and sale of lithium concentrate, and assist in the rapid return of capital in the initial phase of the Project; and
- Provide export and import solutions for finished products resulting from the Project.

Entry into negotiations of a binding agreement is conditional upon:

- The parties being satisfied with their due diligence investigations;
- Power securing all requisite permits, regulatory approvals or third-party consents for the production and export of lithium concentrate and/or raw brine and products from the Project on terms satisfactory to Power; and
- The board of Power approving the transaction, including entry into such negotiations.

The MoU is non-binding and is not exclusive.

## **Next Steps**

It is proposed that Power and Xiamen Xiangyu will now work towards executing a binding agreement, on terms to be agreed by both parties.

The timeframe for entering into the binding agreement will be within 180 days of the date of the execution of the MoU. It will be subject to the above conditions and that agreement being successfully negotiated and signed by both parties.

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

In addition to the terms and conditions outlined in this announcement, the terms of the MoU are typical of that of an agreement of this nature.

### **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 147.07km<sup>2</sup>. 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 plans to commence resource definition drilling at the Incahuasi salar in the current quarter.

Authorised for release by the Board of Power Minerals Limited.

**-ENDS-**

### **For further information please contact:**

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Additional information is available at [www.powerminerals.com.au](http://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. Website: <http://www.xiangyu-group.com/en/>

### **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.