POWER MINERALS

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

Geophysical survey at Incahuasi Salar identifies potential additional lithium brine and supports resource drilling

- **Vertical Electrical Sounding (VES) geophysical survey completed at Incahuasi salar, Salta Lithium Project, Argentina**
- **Positive results from interpretation of Incahuasi VES survey:**
  - **Confirms potential for additional lithium brines located beneath alluvial fan aprons**
  - **Strengthens geological and hydrological models to support resource definition drilling and initial lithium brine resource estimate at Incahuasi**
  - **Provides key inputs to water management plans and positive ESG initiatives**
- **Mineral Resource definition drilling at Incahuasi to commence imminently, planned to be followed by resource drilling at Pocitos and Rincon salares**
- **Strong working 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 positive results from its recently completed Vertical Electrical Sounding (**VES**) geophysical survey at the Incahuasi salar, at the Company's Salta Lithium Project in the lithium triangle of north-west Argentina (Figure 1).

The VES survey at Incahuasi was conducted over 28 geophysics stations (Figure 2). Interpretation of the results indicate that concentrated brines occur to at least 250 meters depth below the surface, with salar basement estimated at ~400-450 meters depth.

The VES survey results also indicate continuity of concentrated brine in saturated hydrostratigraphic units, extending under and below the alluvial fan aprons on the eastern side of the license area away from the active salar (Figure 3).

This highlights the resource expansion potential in this yet to be drill tested area of the licence.

Following the successful Incahuasi geophysical program, VES surveys are progressing on the Rincon and Pocitos salares.

VES geophysical surveys play an important role in supporting Power's near-term resource drilling programs and water management plans, which will input to environmental studies and approvals for the proposed future development of the Salta Project.

Power is focused on expanding the JORC Mineral Resource base at its Salta Project.

> **"The VES geophysical surveys are important for effective lithium brine exploration and resource estimation. The survey results help increase our understanding of both lithium brine distribution and the near-surface freshwater environment, which are critical to successful project development and positive community relationships in the arid Puna region of Argentina."**
>
> **Power Minerals Executive Director, Mena Habib**

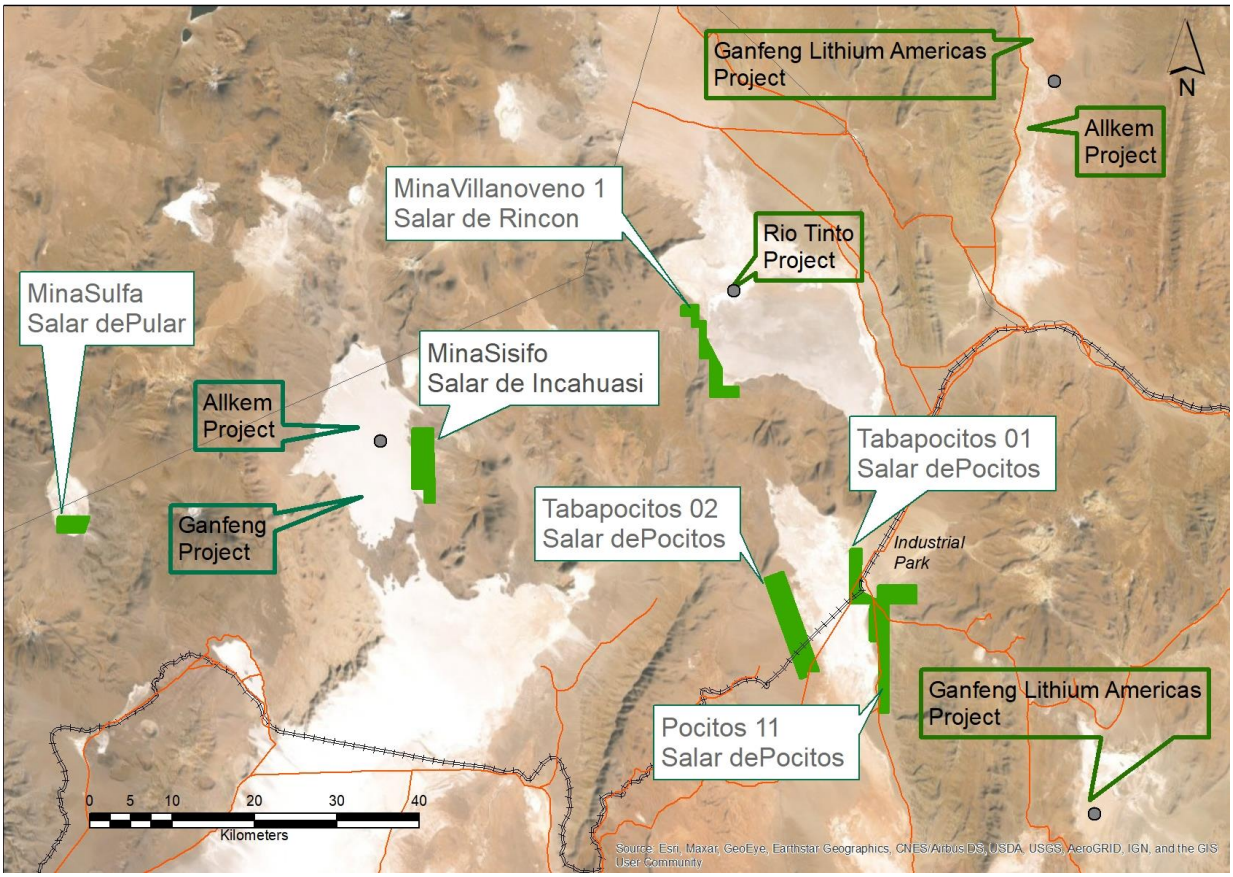

Figure 1: Salta Lithium Brine Project location map, north-west Argentina (PNN licenses in green)

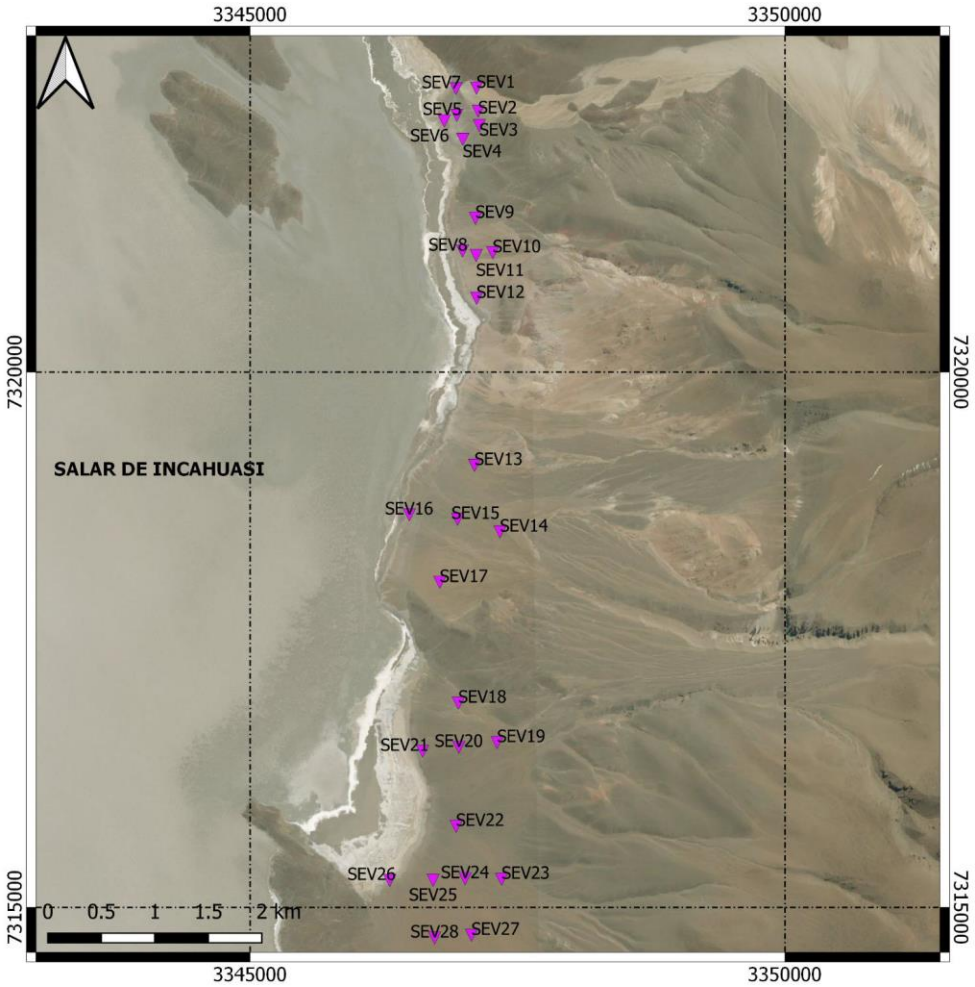

Figure 2: Locations of VES geophysics stations (#1-28 purple dots), Incahuasi salar

Background to Incahuasi VES geophysical program

VES geophysical surveys are useful for delineation of the concentrated brine and fresh water interface at the boundaries of the Incahuasi salar. This delineation may add potential new lithium resources under alluvial fans adjacent to the active salar. The VES survey also assessed the potential for near-surface fresh or brackish water aquifers in the alluvial fans.

The VES survey results were interpreted relative to a previous Transient Electromagnetic (TEM) geophysical survey conducted by Quantec Geoscience at the Incahuasi salar (ASX announcements, 21 November and 24 December 2018). Interpretation by both geophysical consultants indicate that concentrated brines occur to at least 250 metres depth below the surface, with salar basement estimated at ~400-450 metres depth.

Importantly, the VES survey results indicate continuity of concentrated brine in saturated hydrostratigraphic units to extend under and below the alluvial fan aprons on the eastern side of the Incahuasi salar away from the active salar (Figure 3).

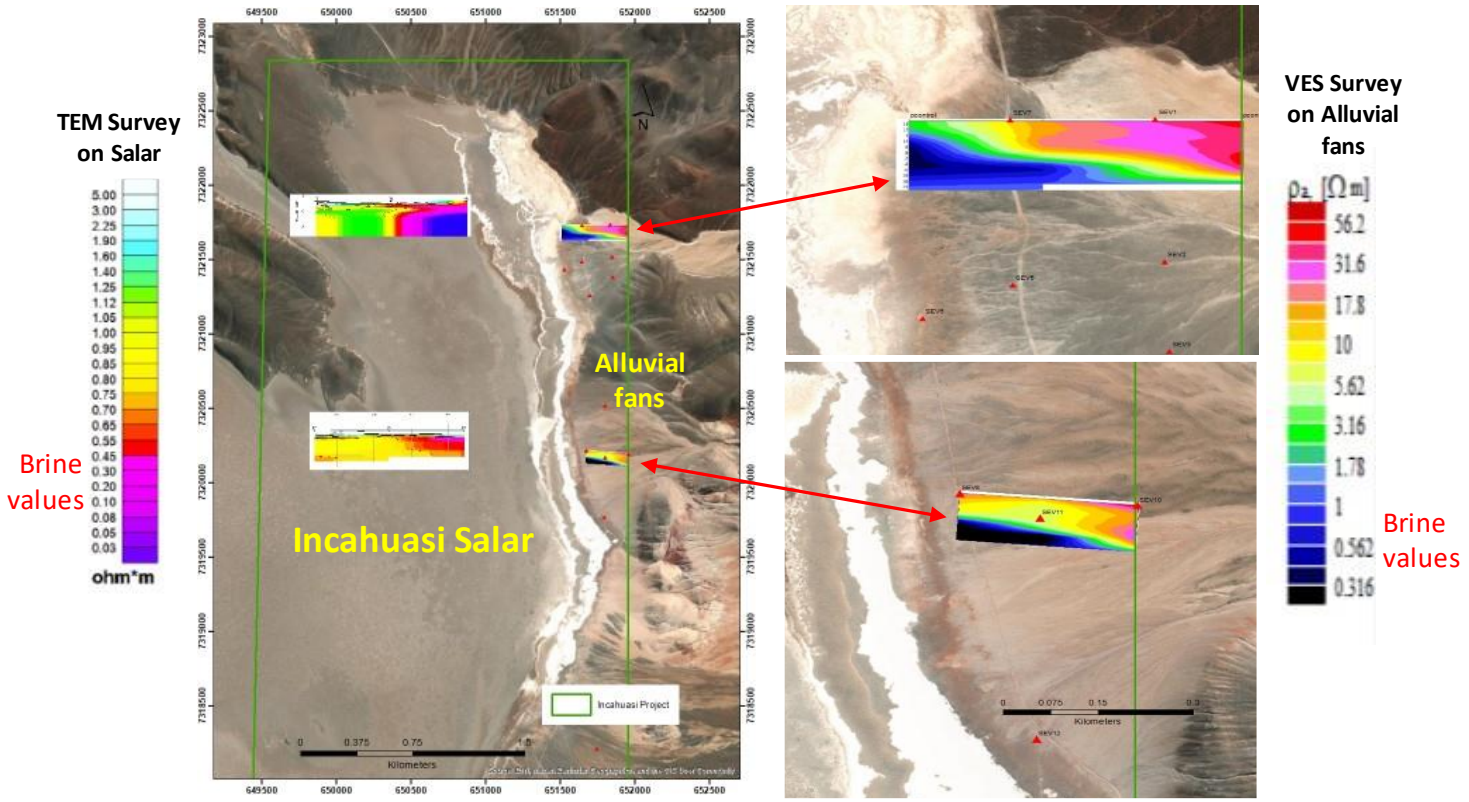

Figure 3: Comparison of previous TEM geophysical survey (left side = active salar) with recent VES geophysical survey (right side = eastern alluvial fan apron), Incahuasi salar.

Note 1: VES survey resistivity values below 1 Ohm/m indicate concentrated brine (dark blue & black coloured areas on right side), whereas orange and pink colours indicate unsaturated alluvial sands and/or possible freshwater aquifers.
Note 2: TEM survey resistivity values between 0.8-1.5 Ohm / m indicate semi-massive halite / salt units containing concentrated brine in pore spaces (yellow and green coloured areas on left hand side)

Importantly, the results of the VES geophysical program, in conjunction with the upcoming resource definition drilling will aim to justify and confirm the geological and hydrological model that the brine resource estimation may extend east beyond the surface limits of the active salar.

The Incahuasi VES survey was 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.

Incahuasi resource drilling

The VES interpretation will be utilised to support 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). Drilling is scheduled to commence at Incahuasi in the immediate future.

This drilling is planned to consist of two diamond drill holes for a total of 1,000m, with discretion for possible additional holes in the alluvial fan area. 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).

Immediately following the Incahuasi program, the drilling rig is scheduled and contracted to move to the Pocitos salar and then Rincon salar for lithium brine resource drilling.

Salta Project - Next Steps

- Complete resource drilling and define an initial JORC lithium brine Mineral Resource estimate at Incahuasi salar.
- Completion and interpretation of VES geophysical surveys at the Pocitos and Rincon salares, to support additional lithium brine resource definition drilling.
- Based on the results of the VES surveys at Pocitos and Rincon North, lithium brine resource drilling is next scheduled at the Pocitos salar, which is strategically located adjacent to rail and road infrastructure, a gas pipeline, and the Pocitos community. Drilling is also planned for Rincon South, to deepen or twin previous drill holes to ~400m depth, and possibly at Rincon North with the aim of adding to the existing resource at Rincon (ASX announcement, 26 June 2018).
- Conduct 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).
- Solar power studies, especially modular units, to support DLE Pilot Plant processing.
- 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 147.07km^2. 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 currently 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 utilising traditional production methods with new technology advancements.

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.