

ASX RELEASE

16 August 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

New Brine Samples Further Expand Potential DLE Footprint at Salta Lithium Project

- **New brine samples from the Pocitos-11 Salar at the Salta Lithium Project confirmed as suitable for Sunresin's proprietary DLE technology**
- **Power has an MoU with global lithium extraction group Sunresin for evaluation and development of the Salta Project**
- **The results, in conjunction with recent high-grade lithium samples from Incahuasi and Rincon Salares, provide the potential to expand the Project's DLE footprint**
- **Pocitos-11 is strategically located adjacent to a proposed multi-user industrial park – potential location for plant and project infrastructure for lithium operations at Salta Project**
- **Sunresin's DLE technology extracts lithium from varying brine grades and delivers high recoveries, low costs and expedited processing times, without the use of evaporation ponds**
- **The ability to treat brines of varying grades / compositions provides a potential pathway to develop a significant lithium producing operation at Salta**
- **Sunresin has >10 years' DLE experience and has nine commercial projects across the globe**

Diversified minerals company Power Minerals Limited (ASX: PNN) (**Power** or **the Company**) is pleased to announce that further, new brine samples from the Salta Lithium-Brine Project in Argentina have confirmed their suitability for the application of Direct Lithium Extraction (DLE) technology as proposed under Power's Memorandum of Understanding (MoU) with global lithium extraction group Sunresin New Materials Co. Ltd. (Sunresin).

The latest samples come from the strategically located Pocitos-11 Salar (Figure 1), and add to the recently reported high-grade lithium sample results from the Incahuasi and Rincon Salares at the Salta Project (ASX announcement, 21 July 2022).

The samples from Pocitos-11 were taken from a depth of 80m. They underwent laboratory analysis at global laboratory services group SGS in Argentina, and delivered a **lithium result of 100.4mg/L**. The new sample results and composition are summarised in Table 1, below.

Sunresin has provided initial confirmation that this grade and composition is amenable to its DLE technology.

Table 1: Pocitos 11 Brine Composition from latest samples (mg/l)

Salar	Sample #	pH	Density	Lithium	Calcium	Magnesium
Pocitos 11	Brine 2463	6.8	1.1856	100.4	530.8	848.5
Salar	Sample		Boron	Potassium	Sodium	Chloride
Pocitos 11	Brine 2463		221.4	2,486	108,340	166,776

This result, in conjunction with the positive results from the Incahuasi and Rincon samples, is significant. It offers the potential to expand the DLE-suitable footprint at Power's Salta Project, and, in so doing, expand the potential size and scale of the Project.

Sunresin is a global leader in DLE technology, and has a total of nine commercial projects across the globe, ranging from a capacity of 3,000tpa to 25,000tpa. It is able to extract lithium from varying brine grades and compositions in an economically viable manner, and deliver high recoveries of lithium with low costs and expedited processing times, without the need for evaporation ponds.

“The ability of Sunresin’s DLE technology to successfully treat brines of varying grades and compositions is another positive step forward towards commercialization for Power Minerals at the Salta Project, and opens up a potential pathway to develop a significant lithium producing operation at Salta. The MoU with Sunresin is progressing rapidly, and bulk samples of Salta brines are currently in process of being transported to Sunresin and Xiamen Xiangyu.”

Power Minerals Executive Director, Mena Habib

Strategic Location

Power has three licences in the Pocitos area - Pocitos 11, Tabapocitos 01 and Tabapocitos 02. They are strategically located adjacent to the site of a proposed multi-user industrial park, along with critical infrastructure (Figure 1). Having the Pocitos 11 brines confirmed as suitable for the application of Sunresin's DLE technology provides the opportunity to potentially locate requisite plant and project infrastructure at the proposed industrial park, and take advantage of its proximal location to the Pocitos licences.

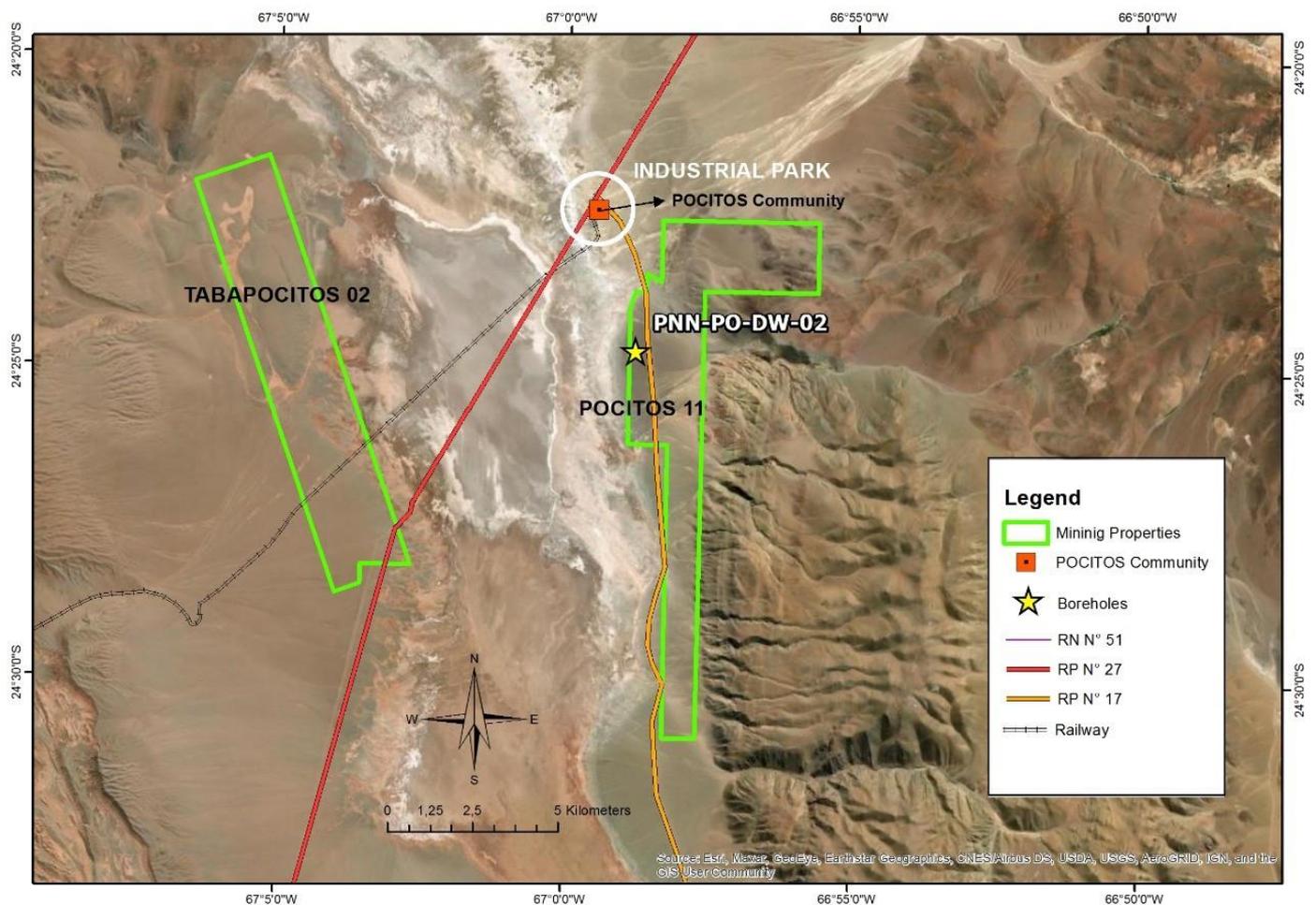


Figure 1: Location of Power’s Pocitos licences, Salta Province, NW Argentina

Power and Sunresin MoU

Power and Sunresin have an MoU for the evaluation and development of the Salta Project (ASX announcement, 7 April 2022). The MoU is the first step in a proposed long-term partnership to utilise Sunresin’s proprietary DLE technology for the potential development of a commercial-scale lithium carbonate producing operation at the Salta Project.

The first phase of the MoU involves an assessment of the brines from the Salta Project to determine their suitability for Sunresin’s DLE technology, and has been successfully undertaken with samples from the Pocitos-11, Incahuasi and Rincon Salares.

The MoU is proposed to be carried out in four phase process, with the end goal of securing a binding agreement that delivers battery-grade LIC from the Salta Project, while complying with the highest international ESG standards. The MoU is non-binding and non-exclusive.

Further details on the MoU are provided in ASX announcement of 7 April 2022.



Figure 2: Brine sampling and collection at Pocitos 11 Salar, Salta Lithium Project



Figure 3: Brine sampling and collection at Pocitos 11 Salar, Salta Lithium Project

Next Steps

- Lithium brine resource drilling and resource estimates at Incahuasi, Pocitos and North Rincon Salares, supported by geophysical surveys, to be progressively undertaken.
- Industrial and freshwater drilling, and water purification studies as inputs to DLE test work and DLE pilot plant studies for each salar.
- Sunresin to test Salta brines utilising its DLE technology, to be followed by a DLE Preliminary Economic Assessment at the Salta Project (subject to results).
- Progress MoU with global lithium supply chain group, Xiamen Xiangyu New Energy Co., Ltd (Xiamen Xiangyu). Salta brines are to be tested by Xiamen Xiangyu for their analysis. 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.
- Pursue opportunities to acquire additional lithium-brine licenses to expand the 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 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 blended brines from the different salares.

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:

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 Sunresin New Materials Co. Ltd.

Sunresin New Materials Co. Ltd. (Sunresin) is an innovation focused, advanced technology company which specialises in supplying ion exchange resins, adsorption and separation resins, equipment solutions and technical services. It was established in 2001 and is listed on China's Shenzhen Stock Exchange (code 300487). Sunresin manufactures about 50,000M³ of ion exchange resins and adsorbers annually. Its resin portfolio consists of around 25 product categories and more than 200 different resin types, used in sectors which include; mining and hydrometallurgy, water and waste water treatment, food processing, biotech and pharmaceuticals, among others. Sunresin holds more than 30 patents and is certified under ISO 9001 for Quality Control System and ISO14001 for Environment Control System. Further information is available via the Company website; <https://www.seplite.com>

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.