

ASX RELEASE

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ASX CODE

PNN

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BOARD**Stephen Ross**

Non-Executive Chairman

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Managing Director

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Non-Executive Director

David Turvey

Non-Executive Director

PROJECTS**Argentina**

Salta Lithium Project

Santa Ines Copper-Gold Project

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

Ultra Lithium Inc. acquisition update

- **Commercial, financial and legal due diligence of Ultra Lithium Inc. has identified previously undisclosed items requiring resolution**
- **Ultra Lithium Inc.'s lack of substantive engagement with respect to the proposed acquisition of their Argentinian lithium-brine subsidiaries has raised serious concerns**
- **Power will strongly encourage Ultra Lithium Inc. to comply with its obligations under the Convertible Loan Agreement, and will seek to protect its interests in respect of the Transaction**

As previously announced, Power Minerals Limited (ACN 101 714 989) (**ASX: PNN**) (**Power** or the **Company**) entered into a binding Term Sheet to acquire 100% of the Argentinian lithium-brine subsidiaries of Ultra Lithium Inc. (**TSXV: ULT**) (**Ultra Lithium**), (the **Transaction**). As part of the Transaction, Power also provided funds under a convertible loan agreement (**CLA**) to Ultra Lithium for working capital to facilitate the Transaction (ASX announcement, 16 May 2023).

In accordance with the binding Term Sheet, Power has attempted to negotiate an acquisition agreement with Ultra Lithium (**Acquisition Agreement**).

As is standard for any acquisition of this nature, and after completing technical due diligence (ASX announcement, 6 June 2023), Power has conducted commercial, financial and legal due diligence of Ultra Lithium and their lithium-brine subsidiaries in Argentina. As part of this due diligence, Power has identified key matters of concern, and has been attempting to productively engage with Ultra Lithium, including by proposing updated terms for the Transaction in the Acquisition Agreement to take into account those key matters of concern.

Unfortunately, Ultra Lithium's lack of substantive engagement with Power in respect of the Transaction has caused serious concern as to whether the Transaction can be completed.

Power has received proposals from Ultra Lithium, in response to Power's concerns in respect of the Transaction, that Power is currently considering.

Power will consider Ultra Lithium's proposals for resolution, and will proceed to take appropriate action to protect its interests and resolve its concerns.

Authorised for release by the Board of Power Minerals Limited.

-ENDS-

For further information please contact:

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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, nickel-copper-cobalt and PGEs.

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.

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