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# **ANNUAL REPORT**

2023

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# CHAIRMAN'S REPORT

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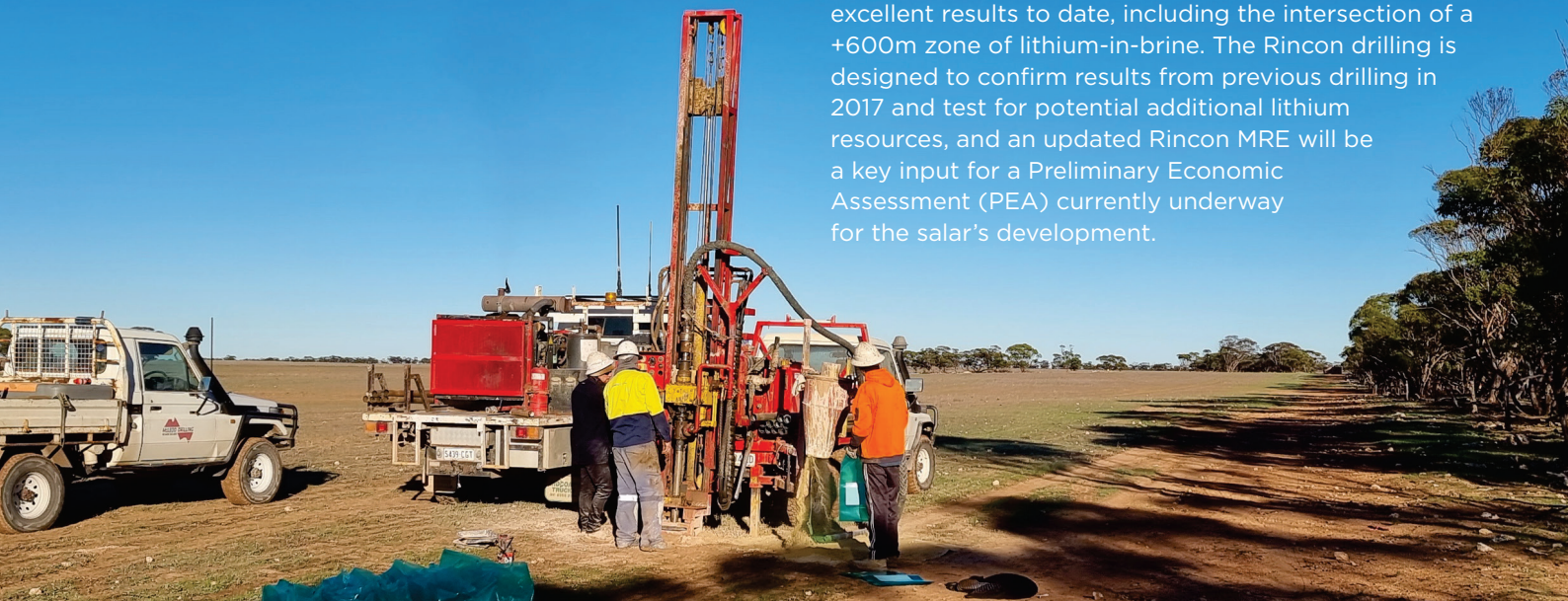
## Dear Shareholder,

I am delighted to present the 2023 Annual Report for Power Minerals Limited (ASX: PNN), as we reflect on our progress as a lithium and critical minerals-focused explorer and developer over the past 12 months. We have continued to assert our position in Argentina, growing our exploration footprint and taking important steps in developing our 100%-owned Salta Lithium Project, while continuing exploration across our South Australian assets.

We've taken great strides at Salta, which is located in the world-renowned "Lithium Triangle" of South America. Here we delivered a maiden JORC Mineral Resource Estimate (MRE) at the Incahuasi salar in May 2023, and this more than doubled the global MRE of our Salta Project, which now sits at a highly significant 488,308 tonnes of lithium carbonate equivalent (LCE). Incahuasi's MRE was an important milestone for Power, and an excellent result in both size and quality.

Post year-end, we announced a Binding Term Sheet with Canadian company Summit Nanotech Corporation, a world leader in direct lithium extraction (DLE) for strategic investment and a joint venture for the development of Incahuasi, representing a pivotal step in value-addition and potential cashflow. Summit will invest up to US\$3 million to drive the development of the Incahuasi project and, Power will also greatly benefit from Summit's patented denaLi™ DLE technology across our entire lithium-brine portfolio. Summits' denaLi™ DLE technology efficiently produces lithium from brine with best-in-class low freshwater use, minimal consumables, minimal greenhouse gases, and low power consumption, and most significantly, can produce greater than 95% lithium recovery and over 98% impurity reduction. We plan to work closely with Summit under a Joint Venture agreement; which is expected to be finalised by 31 October 2023.

In parallel with this incredible progress at Incahuasi, we are drilling at our next target within the Salta project, the Rincon salar. This drilling has produced excellent results to date, including the intersection of a +600m zone of lithium-in-brine. The Rincon drilling is designed to confirm results from previous drilling in 2017 and test for potential additional lithium resources, and an updated Rincon MRE will be a key input for a Preliminary Economic Assessment (PEA) currently underway for the salar's development.



During the year, we announced our proposed acquisition of the Argentinian lithium-brine assets owned by Ultra Lithium Inc. (TSXV: ULT), which included the extensive +250,000-hectare Laguna Verde lithium-brine projects in the Catamarca Province of Argentina. While this acquisition has not proceeded to closure at the time of writing, Power will remain very active looking to expand our portfolio in Argentina where assets can positively contribute to our value.

Focused exploration continued at our South Australian projects during the year, with the second phase of rare earth element (REE) focused drilling at Eyre Peninsula underway. This is designed to follow up and further delineate our high-grade REE discovery at Dickson's Well, where our previous drilling intersected high rare earth oxide (REO) concentrations in clay. At our Musgrave Project, our priority is the Pink Slipper target, which is part of a farm-in and joint venture agreement with Rio Tinto Exploration. We continue negotiating an Exploration Deed with Traditional Owners, with drilling proposed at Mt Caroline (EL6148) and Mt Harcus (EL6597) once approvals and clearances are obtained.

We have several key strategic investments being finalised over the coming months including A\$2.6 million from lithium sector investor Fuyang Mingjin New Energy Development Co., Ltd (Mingjin), the sale of our non-core asset Santa Ines Copper-Gold Project to Mingjin for \$1.5 million and of course the US\$2m investment from Summit for the development of Incahuasi. The combined proceeds from these investments will allow us to continue drilling and add significant value across our entire Argentinian lithium-brine portfolio.

We continued to strengthen and bolster our leadership team in the past 12 months, with Executive Director Mena Habib transitioning to the role of Managing Director, and former Lake Resources Technical Director Dr Nicholas Lindsay joining as Technical Advisor. These appointments were designed to ensure we have the right skill set to support our lithium strategy.

In addition, we appointed Daniel Bonafede as Project Manager for our Argentinian lithium projects and Damien Barnes as Land Access General Manager for our Musgrave projects.

Daniel has a wealth of experience in lithium brine exploration and operations management in Argentina. Based in Salta, Argentina, he will play a key leadership role in accelerating the exploration and development of our lithium assets in Argentina. Damien has a strong depth of legal, commercial management, dispute resolution, and engineering experience in the resources, construction, environment, cultural heritage, and property sectors – and also in land claims and native title. He will play a key role in building and maintaining positive relationships with landowners and local communities at Power's project areas and securing site access where required to allow Power to conduct its exploration activities.

I thank our Shareholders for your continued support during FY2023, particularly those who participated in our \$5.5 million share placement in September 2022 that enabled us to achieve so much over the past 12 months. I am pleased our Shareholders will benefit from the distribution of up to \$1.357 million as tax offsets or franking credits under the Junior Minerals Exploration Incentive.

In addition, I thank my fellow Board members for providing guidance and expertise throughout the year, as well as our key management and exploration teams in Argentina and Australia for their hard work and commitment to delivering on our goals.

I believe we are now well positioned to execute our lithium brine development strategy in Argentina, with the right management and partnerships in place to achieve this, and I am excited to see what we can achieve in the year to come. I hope you will continue to share the journey with us.



**Stephen Ross**

Non-executive Chairman, Power Minerals



# 2023 HIGHLIGHTS

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01	Major JORC Mineral Resource drilling campaign launched at Salta Lithium Project, Argentina, to underpin project development plans – drilling remains ongoing.
02	Salta Project JORC Lithium Resource more than doubled to 488,308 tonnes Lithium Carbonate Equivalent (LCE) – an increase of 104.3%.
03	Binding Term Sheet executed with leading direct lithium extraction (DLE) technology company Summit Nanotech Corporation for the funding and development of the Incahuasi salar at Salta Lithium Project.
04	Preliminary Economic Assessment (PEA) initiated at Rincon alar at Salta Lithium Project to assess production and life-of-mine profile, engineering and process costs, along with capital costs and operating costs for a potential high-quality lithium carbonate producing operation.
05	High-grade Rare Earth Elements (REE) discovery confirmed at Eyre Peninsula Project – results from two phases of drilling reported, with strong kaolin and halloysite results also returned.
06	Key appointments made to Company’s executive leadership and management teams, to best align Power’s people skills with its goals and objectives across the business.
07	Negotiations progressed with APY traditional owners for an Exploration Deed for the priority Pink Slipper target (ELA 2015/214) at the Musgrave Project, South Australia – Exploration Deed is a key pre-requisite for on-ground exploration at this high priority target.
08	Strong community engagement and relationships maintained across all the Company’s project areas.
09	Fieldwork completed with no safety or environmental issues across the project portfolio, and all drill sites successfully rehabilitated.
10	\$2.6m strategic investment received from active lithium sector investor, Fuyang Mingjin New Energy Development Co., Ltd (Mingjin) – Mingjin also entered a binding sale and purchase agreement to acquire Power’s non-core Santa Ines Copper-Gold Project, Argentina, for an all-cash consideration of \$1.5m.
11	In September, a \$5.5m placement successfully to help fund ongoing exploration and development activities across the Company’s project portfolio.

# OPERATIONS AND FINANCE REVIEW

## OVERVIEW

Power Minerals Limited (“**Power**” or “the **Company**”) completed an active field season and other project enhancing activities across its asset portfolio during the year. The Company’s core focus was the Salta Lithium Project in Argentina, where significant progress was achieved. This included the completion and progression of maiden drilling programs at the Incahuasi and Rincon salar Projects in Argentina, and continued drilling programs at the Eyre Peninsula Kaolin-Halloysite Project in South Australia. At the Musgrave Nickel-Copper-Cobalt Project in South Australia, the Company continued to work to secure an Exploration Deed with the Anangu Pitjantjatjara Yankunytjatjara (APY) Traditional Owners for the priority Pink Slipper exploration target.

### Strategic Assets in Battery & Technology Minerals

#### Attractive Investment Jurisdictions:

- **Lithium Triangle, Argentina:** Globally-renowned Lithium brine investment destination
- **South Australia:** International-scale kaolin & world-class underexplored Nickel (Ni)-Copper (Cu)- Cobalt (Co) provinces

#### Strategic Minerals & Growth Markets:

- **Energy transition e-minerals:** Lithium (Li), Nickel (Ni), Copper (Cu), Cobalt (Co) & Rare Earth Elements (REE)
- **Forecast high growth markets:** Demand & growth profiles support investment
- **Advanced technology markets:** Emerging use of kaolin-halloysite clays, plus REE

#### Next Steps - Strong News Flow:

- Continue to grow JORC Lithium Resource, Salta Lithium Project
- Progress PFS project at Incahuasi salar with Summit Nanotech, Salta Project
- Access & Drilling Musgrave Ni-Cu-Co Project, South Australia
- Evaluate kaolin/halloysite/REE assets & assess expansion opportunities

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## SALTA LITHIUM PROJECT, ARGENTINA

The Salta Lithium Project is 100%-owned by Power and located in the Salta province in north-west Argentina. It is situated within the Lithium Triangle, the world's leading lithium brine region. The Project consists of five salares (salt lakes) that sit within seven granted mining leases, over a total area of 145.29km<sup>2</sup> (Figure 1). Power is focused on the accelerated development of the Project into a potential, future lithium producing operation.

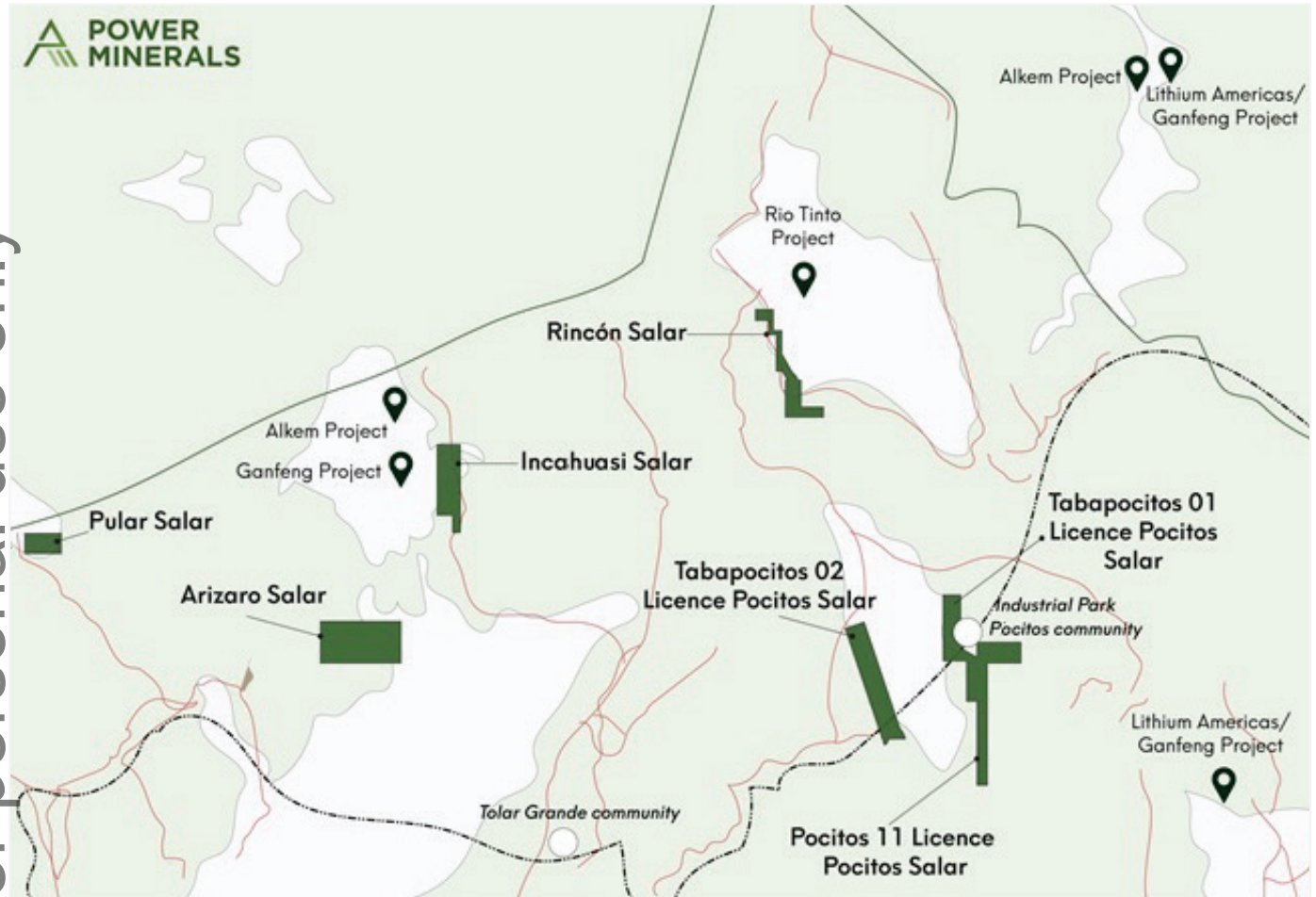


Figure 1: Location Map of Salta Lithium-Brine Project location map – showing five salares

## MAJOR JORC MINERAL RESOURCE EXPANSION DRILLING CAMPAIGN

During the year, Power commenced a major JORC Mineral Resource drilling campaign at the Salta Project (ASX announcement, 31 October 2022). This program represents a cornerstone component in the Company's systematic development plans for the Salta Lithium Project.

The campaign has delivered a maiden JORC Mineral Resource at the Incahuasi salar, and drilling has progressed to the Rincon salar, where it aims to expand the existing Rincon Resource. The overall objective of the drilling campaign is to upgrade the Salta Project's existing JORC Mineral Resource (ASX announcements, 23 January 2019, and 27 June 2018) to support Power's future development plans at the Project.

Experienced local Argentinian drilling contractor Hidrotec SRL was engaged to undertake the drilling campaign. Drilling has proved successful to date, and is currently ongoing.

In support of the JORC Mineral Resource drilling campaign, the Company also completed a Vertical Electrical Sounding (VES) geophysical survey program at the Salta Project. The results, in conjunction with Power's previous geophysical surveys and lithium exploration database, were used to define and refine targets for the drilling campaign.

### Maiden JORC Mineral Resource Confirmed at Incahuasi Salar

Power reported a maiden JORC Mineral Resource at the Incahuasi salar in May 2023. The Resource more than doubled the Salta Project's total Lithium JORC Mineral Resource to 488,308t Lithium Carbonate equivalent (LCE)<sup>1</sup> – an increase of 104.3%.

The maiden JORC Mineral Resource at Incahuasi was a significant milestone for Power, and an excellent result in both size and quality. The Resource was based on strong, consistent technical results and provided a significant addition to the Project's global resource inventory (Figure 2).

Incahuasi JORC Mineral Resource estimate is (Table 1);

- 249,308 tonnes (LCE) at 198 mg/l Li concentration, including;
  - Measured Resource 160,556 tonne LCE (64%);
  - Indicated Resource 74,571 tonne LCE (30%); and
  - Inferred Resource 14,235 tonne LCE (6%).

Table 1: Lithium Brine JORC Mineral Resource, Incahuasi Salar, Salta Lithium Project, Argentina.

Resource Category	Brine Volume km <sup>3</sup>	Average Lithium Grade mg/L	Lithium tonnes	Lithium Carbonate Equivalent (LCE) tonnes
Measured (M)	152	198	30,200	160,600
Indicated (I)	69.9	199	14,000	74,500
Measured+Indicated (M+I)	222	198	44,200	235,100
Inferred	13.1	205	2,700	14,200

Note; discrepancies in summation may occur due to rounding of values to significant digits. Incahuasi salar Mineral Resource from PNN ASX Release 24 May 2023.

<sup>1</sup> PNN's Total JORC Lithium Brine Resource inventory is based on this Incahuasi resource estimate combined with resources reported from Rincon and Pular salares (ASX announcements, 27 June 2018 and 23 January 2019 respectively).

Rincon JORC Resource Classification: Measured Resource 36,000 tonnes Lithium Carbonate equiv. (LCE) at 252mg/l Li, Indicated Resource 24,000 tonnes LCE at 233 mg/l Li and Inferred Resource 6,000 tonnes LCE at 288mg/l Li.

Pular JORC Resource Classification: Measured Resource 91,000 tonnes Lithium Carbonate equiv. (LCE) at 87mg/l Li and Inferred Resource 82,000 tonnes LCE at 77mg/l Li.



Power’s Incahuasi salar project is located immediately adjacent to Ganfeng Lithium Co. Ltd’s project (Figure 1). The JORC Mineral Resource drilling program at Incahuasi consisted of four holes and delivered consistent lithium grades and strong brine density results.

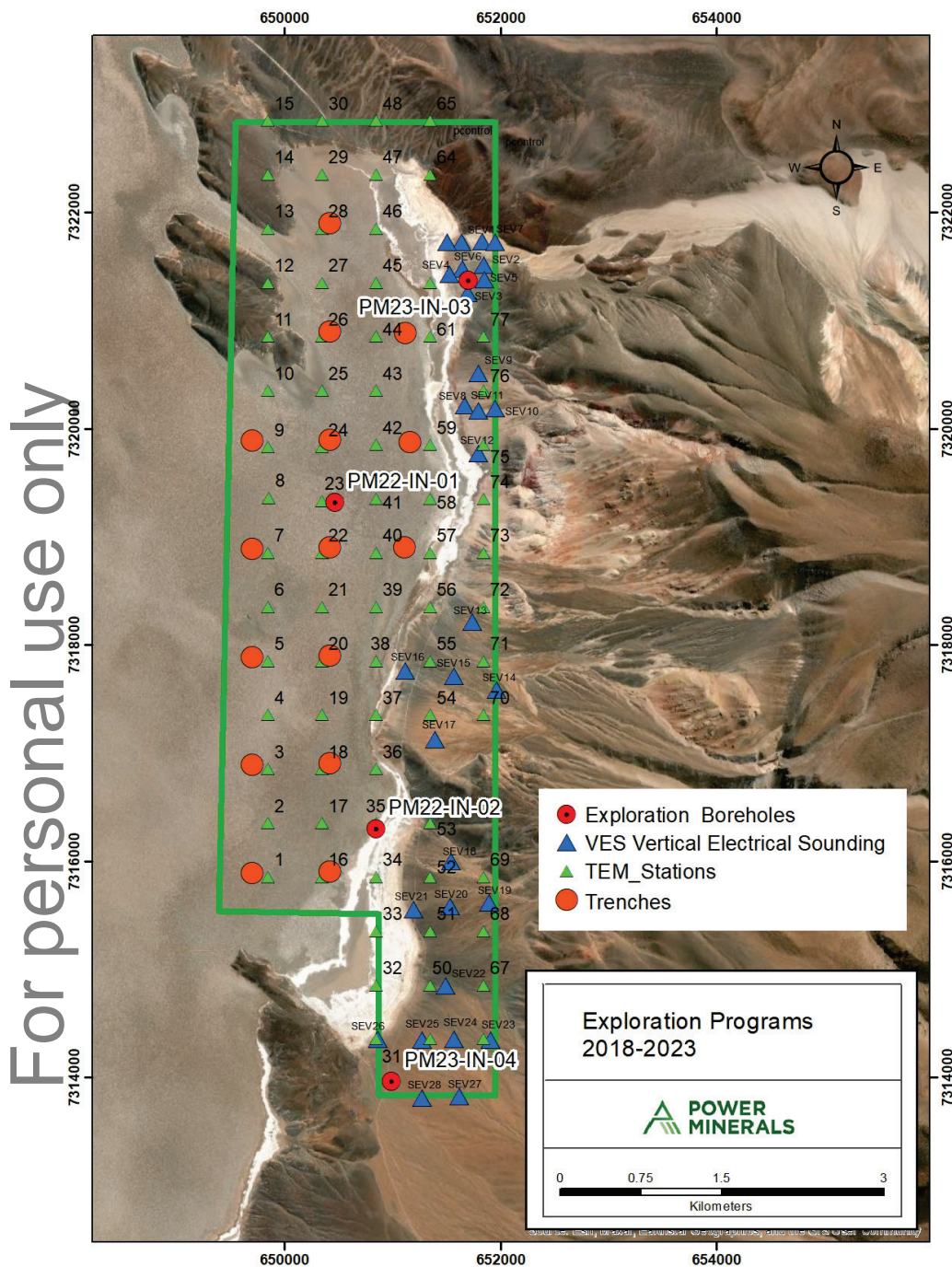


Figure 2: Summary of Exploration and Input to JORC Mineral Resource Estimate, Sisifo license, Incahuasi Salar 2018-2023

### JORC Mineral Resource Drilling Achieves Strong Progress at Rincon Salar

Drilling progressed at the Rincon salar during the year, and has delivered excellent results at this key target. The drilling has been successful in significantly increasing the depth of Power’s previous drilling at Rincon, and has enhanced its JORC Mineral Resource expansion potential.

Power’s 2023 drilling at Rincon has consisted of three diamond drillholes for a total of approximately 1,500 metres (Figure 3). It was designed to confirm, and extend, results from previous drilling by Power in 2017 and to test for additional potential lithium resources in the licence area, to increase the existing Rincon JORC Mineral Resource (ASX announcement, 27 June 2018).

The previous JORC Mineral Resource at the Rincon salar was based on a thickness of lithium brine of just 130 metres, from drilling in 2017.

The current drilling at Rincon and planned JORC Mineral Resource upgrade form a key input to a Preliminary Economic Assessment (PEA) being undertaken at Rincon (ASX announcement, 8 December 2022). It also forms a key component of Power’s ongoing JORC Mineral Resource drilling campaign at the Salta Project, which is designed to expand the Project’s existing JORC Mineral Resource, to support future development plans.

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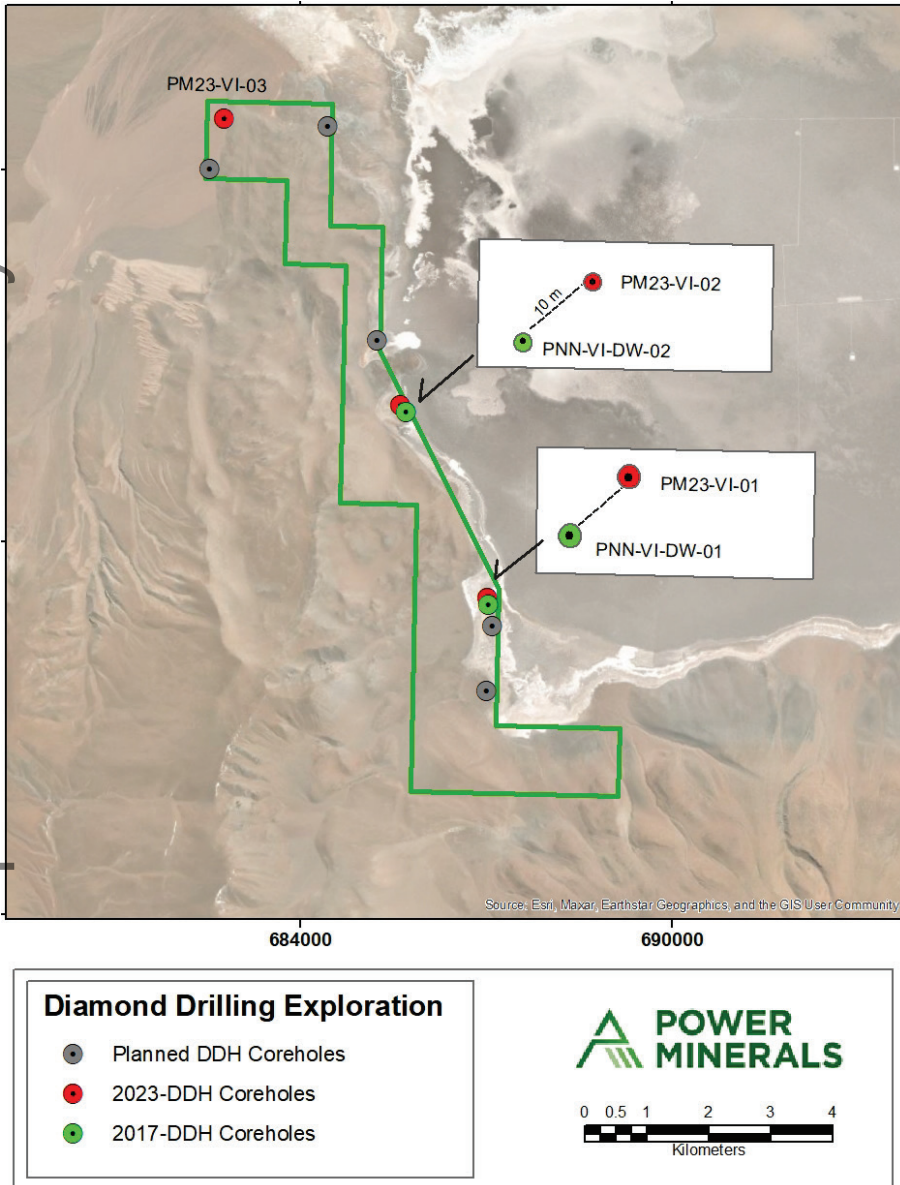


Figure 3: Location plan for lithium brine resource drilling, Rincon salar

**Commentary on Drilling at Rincon Salar**

**Drillhole PM23-VI-03** was the first hole drilled at Rincon in the current program. It is situated in the northern extent of Power’s licence area at the Rincon salar (Figure 3), and was successfully drilled to a depth of 345.6 metres (Figure 4). Assay from 15 packer test brine samples were taken from selected intervals within the hole and delivered excellent lithium grades and high brine density results including;

- High lithium assay results of up to 331mg/L (milligrams per litre) lithium (Li);
- Average lithium grade of 272.7mg/L Li; and
- Brine density up to 1.21kg/L (kilograms per litre).

**Drillhole PM23-VI-03** also demonstrated visual porosity from surface to a depth of 306.6 metres, with multiple zones showing medium/high estimated visual porosity. These results confirm the presence of lithium-bearing brines in this hole, and are a positive indicator of strong aquifer thickness for brine within the hole.



Figure 4: Brine sample from interval 196m-198m in drill hole PM23-VI-03 at Rincon salar

**Drillhole PM23-VI-02** was successfully drilled to 605 metres depth, the maximum depth possible from the drill rig using HQ diamond core. This was the first time drilling to this depth had been undertaken in this part of the Rincon salar.

Brine samples were taken from 25 double packer tests at selected intervals, and achieved a 100% success rate with brine samples collected from each test. These returned consistent results averaging 297 mg/L lithium - with a highest grade of 343mg/L lithium - over an intersection of 600 metres thickness down hole.

PM23-VI-02 was the second hole drilled in the current drilling at the Rincon salar. It is situated near the eastern boundary in the central part of Power's licence area at Rincon (Figure 3) and is a duplicate hole from previous PNN drilling conducted in 2017. PM23-VI-02 successfully confirmed the previous results and extended the depth of the contiguous lithium-in-brine to a depth of 519.5 metres.

Lithium brine from the 2017 drilling was intersected in black volcanic sands beneath a halite cap. The 2017 drillhole (PNN-VI-DW-02) finished within the black sands at 130 metres depth. The 2023 drillhole (PM23-VI-02) showed further halite and then generally fine-to-medium lithic-sands beneath the black sands. The brine results from the current drillhole were combined with results from the 2017 drillhole, and showed a consistent chemistry with only slight variations with depth. This indicates that the brine is continuous and connected over a thickness of in excess of 600 metres.

**PM23-VI-01** was the third hole drilled in the current drilling program. The hole is situated near the eastern boundary in the southern half of Power's licence area at the Rincon salar (Figure 3).

It is a duplicate hole located adjacent to a previous Power drillhole (PNN-VI-DW-01) from 2017, which was drilled to a depth of only 69 metres. The 2023 hole was designed to follow up and extend the initial hole. The shallow depth of the 2017 hole was a severe limitation on the existing JORC Mineral Resource at Rincon (ASX announcement, 27 June 2018).

PM23-VI-01 reached a depth of 500 metres, and brine samples taken from 21 packer tests taken at depth (up to 480 metres) in the current hole provide a positive indication of the JORC Mineral Resource upside potential at PM23-VI-01.

## GEOPHYSICAL SURVEYS CONFIRM MINERAL RESOURCE POTENTIAL

Power progressively completed a Vertical Electrical Sounding (VES) geophysical survey program at its key salares at the Salta Project during the year. The survey program delivered positive results, which confirmed the potential for additional lithium brines and Mineral Resources at each salar.

Results from a VES geophysical survey at the Pocitos and Arizaro salares were reported in January (ASX announcement, 23 January 2023). The VES survey was conducted over 18 geophysics stations on the Tabapocitos 01 licence area at the Pocitos salar, and over 12 stations on the Maderita licence area at the Arizaro salar.

The VES surveys helped define the distribution of concentrated brine, saline and brackish brines and fresh water in the active salar, inactive salar and adjacent alluvial apron.

This information assists in identifying potential new lithium resources and in planning the Company's ongoing lithium brine resource drilling programs. The VES surveys also provided valuable information on the potential for near-surface fresh or brackish water aquifers in the alluvial fans, which will input into environmental studies, water management plans, and approvals for the proposed future development of the Salta Project.

A VES survey was also completed over seven geophysics stations on the northern portion of Power's licence area at the Rincon salar. Results indicated a continuity of concentrated brines in 100-150 metre-thick zones, saturated sand and gravel units within the alluvial apron fans adjacent to the active salar. Basement was estimated at a depth of approximately 200 metres (ASX announcement of 17 October 2022).

Results from a similar survey conducted over 28 geophysics stations at the Inchauasi salar also delivered positive outcomes, indicating that concentrated brines occur to at least 250 metres depth below surface, with salar basement estimated at ~400-450 metres depth. Results also indicated a continuity of concentrated brine in saturated hydrostratigraphic units, extending under and below the alluvial fan aprons on the eastern side of the licence area (ASX announcement, 28 September 2022).

## PRELIMINARY ECONOMIC ASSESSMENT AT RINCON SALAR

Power commenced a Preliminary Economic Assessment (PEA) at the Rincon salar during the year (ASX announcement, 8 December 2022). Completion of the PEA, in conjunction with the JORC Mineral Resource drilling campaign and planned JORC Mineral Resource upgrade at Rincon, are key inputs into the Company's plans to fast-track the development of Rincon.

The PEA will contemplate conceptual production of a minimum of 5,000tpa lithium carbonate equivalent (LCE), via Direct Lithium Extraction (DLE), at Rincon. In due course, the Company also plans to conduct a PEA at the Pocitos salar. The Inchauasi salar is subject of a Binding Term Sheet with Canadian DLE technology provider Summit Nanotech Corporation (BN 753314913) for the funding (up to US\$3 million) and development of Inchauasi (ASX announcement, 22 August 2023).

The PEA will be completed to Scoping Study level and is being conducted by global engineering and mining consultant Golder Associates (Golder), a division of WSP Global, which have vast experience working with tier-1 lithium brine companies.

The PEA at Rincon will assess the production and life-of-mine profile, along with engineering and process costs, plus capital costs and operating costs for a potential high-quality lithium carbonate (LCE) producing operation at Rincon.

Figure 5 provides a preliminary location plan for Power’s planned lithium brine resource drilling and an indicative, conceptual plan for the potential DLE development at Rincon.

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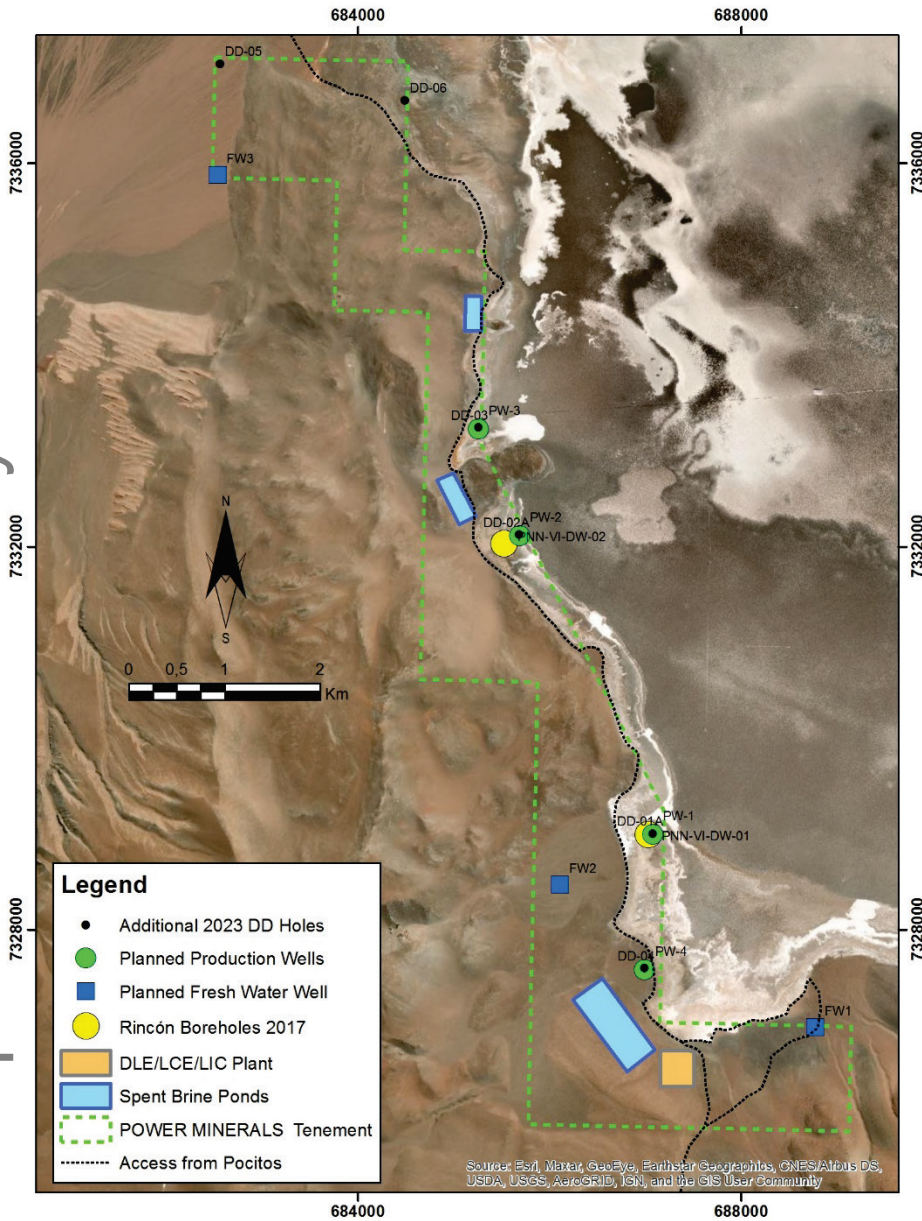


Figure 5: Location Plan for Lithium Brine Resource Drilling and Proposed Rincon DLE Development

## INCAHUASI SUMMIT NANOTECH PARTNERSHIP

Subsequent to the year, Power entered into a 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.

As part of the BTS, Summit will provide Power with a strategic equity capital investment of up to US\$3 million to drive the development of the Incahuasi salar, while also securing a partnership with Summit and its patented denaLi™ DLE technology, with the aim of delivering commercial-scale production of high-quality lithium at Incahuasi.

Summit’s denaLi™ world-leading 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 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.

Under the BTS, Power and Summit will work together to enter into an Option and Joint Venture Agreement (PNNJV), the terms and conditions of which will be consistent with those set down in the BTS, and will be confirmed in a Definitive Option Agreement.

The execution of the Definitive Option Agreement and the completion of the matters provided for in the BTS are subject to several conditions including the successful completion of due diligence by both parties, to be completed by 31 October 2023 (or later date as agreed by the parties).

After executing the BTS, Summit completed first-stage testwork which successfully confirmed the compatibility of lithium-bearing brine from Power's Incahuasi salar with Summit's proprietary denaLi™ DLE technology (ASX announcement 28 August 2023).

The results demonstrated the ability to produce a clean, low impurity dilute lithium chloride solution, which may be upgraded to a lithium chloride concentrate (eluate) potentially suitable for battery-grade lithium carbonate.

Over five cycles, 98.3% of lithium was recovered from brine containing 194 mg/L lithium, with an impurity rejection rate of 92-99% (for sodium, potassium, magnesium, calcium, boron and strontium). Analyses were by ICP-OES for elemental compositions and key anions.

As a next step, Summit plans to test Incahuasi brine in scaled-up pilot-plant testing at Summit's facility in Santiago, Chile. The outcomes will be used in flowsheet development and in a proposed prefeasibility study for the Incahuasi salar.

## MOU EXTENDED WITH GLOBAL LITHIUM SUPPLY CHAIN GROUP, XIAMEN XIANGYU

Power entered into a non-binding Memorandum of Understanding (MoU) with Xiamen Xiangyu New Energy Co., Ltd (Xiamen Xiangyu) in July 2022 (ASX announcement, 11 July 2022). Under the MoU both parties conducted due diligence with a view to executing binding funding, logistics and offtake agreements for Power's Salta Lithium Project.

The initial timeframe set-down under the MoU for the parties to execute a binding agreement was 180 days from date of execution of MoU. The due diligence progressed extremely well with both parties working collaboratively throughout the process.

Subsequently, Power and Xiamen Xiangyu agreed to extend the MoU to allow further time for the completion of the due diligence process (ASX announcement, 16 January 2023).

As part of its due diligence, Xiamen Xiangyu completed a successful 40 litre bulk-sample test of brines from each of the Incahuasi, Rincon and Pocitos salares at the Salta Project, which confirmed the brine quality and suitability from each salar (ASX announcement, 17 November 2022).

The final component of due diligence is the successful delivery of the PEA being conducted at the Rincon salar (ASX announcement, 8 December 2022). Power and Xiamen Xiangyu agreed to extend the MoU until the completion of the PEA. Subject to the successful completion and outcomes of the PEA, the parties then plan to move to execute a binding agreement in respect of funding, logistics and offtake for the Salta 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.

The MoU is non-binding and is not exclusive. There is no guarantee that a binding agreement will be entered into.

## SUNRESIN COMPLETES SUCCESSFUL SALTA BRINE BULK SAMPLE TEST

During the year, Power reported progress on its Memorandum of Understanding (MoU) with DLE industry leader, Sunresin New Materials Co. Ltd. (Sunresin). Power and Sunresin entered into a MoU for the evaluation and development of the Salta Project in the previous year (ASX announcement, 7 April 2022). The MoU is non-binding and is not exclusive. There is no guarantee that a binding agreement will be entered into.

In October 2022, Sunresin completed a successful bulk-sample test of brines from the Salta Project (ASX announcement, 27 October 2022). The bulk-sample involved 40 litres of brine being extracted from each of the Incahuasi, Rincon and Pocitos salares at the Project, which were then sent to Sunresin's proprietary DLE processing facility in Shaanxi province, China. The bulk samples from each individual salar were then processed through Sunresin's DLE plant on a salar-by-salar basis.

The bulk sample testing of brines from all three salares delivered positive outcomes, and successfully produced a lithium concentrate. The testing confirmed;

- Individual brines are compatible with Sunresin's DLE technology and plant; and
- Brine chemistry and quality from each salar is suitable for processing through Sunresin's DLE technology and plant.

The ability of Sunresin's DLE technology to successfully process brines of varying grades from the Salta Project helped confirm the Project's DLE development potential.

The bulk sample test came after the successful completion of the first phase of the Power and Sunresin MoU. This involved an assessment of the brines from the Salta Project to determine their suitability for Sunresin's DLE technology.

Brine samples were taken from each of the Incahuasi, Rincon and Pocitos salares and submitted for laboratory analysis at global laboratory services group SGS in Argentina (ASX announcements, 16 August 2022, and 21 July 2022) (Figure 6 and Figure 7). They returned the following lithium results;

- Rincon salar: 335.2mg/L
- Incahuasi salar: 241.2mg/L
- Pocitos salar: 100.4mg/L

Sunresin subsequently advised that the grades and composition from all the salares were amenable to its DLE technology.

Sunresin is a global leader in DLE technology. Its proprietary DLE technology enables the selective salt extraction from brines by using resins to facilitate the extraction of lithium. Sunresin has over 10 years' experience in DLE and has commercial projects located in South America, North America, Europe, and China, ranging in capacity from 3,000tpa to 25,000tpa.



Figure 6: Brine sampling and collection at Pocitos 11 salar, Salta Lithium Project



Figure 7: Brine sampling and collection at Pocitos 11 salar, Salta Lithium Project

## EYRE PENINSULA KAOLIN PROJECT, SOUTH AUSTRALIA

The Eyre Peninsula Kaolin-Halloysite-REE Project consists of three Exploration Licences (EL6677, EL6681 and EL6689) and an Exploration Licence Application (ELA2023/O33, applied for after 30 June 2023) covering a total area of 1,860km<sup>2</sup>. It is strategically located adjacent to Andromeda Metals' (ASX: ADN) Kaolin-Halloysite projects on the western side of the Eyre Peninsula (Figure 8).

During the year, Power reported positive rare earth element (REE), kaolin and halloysite results from its first phase of drilling at the Eyre Peninsula Project. The positive results support Power's specialty clay strategy to develop and produce high margin, value added products for the potential supply to advanced technology industries.

A total of 4,217 metres of aircore drilling was completed across 128 holes at priority targets across two of the Project's Exploration Licences in its first phase of drilling. All drillholes were vertical with an average depth of 32.9 metres, and a maximum depth of 75 metres.

## RARE EARTH ELEMENTS (REE) DISCOVERY AT EYRE PENINSULA PROJECT

Power sent a total of 149 clay-rich samples from its maiden drilling program at the Eyre Peninsula for detailed REE analyses. Results from 96 samples were reported, and confirmed the discovery of significant concentrations of REE at the Dickson Well prospect at the Cungena Exploration Licence (EL6681), in the north-west of the Eyre Peninsula (ASX announcement, 20 December 2022).

The results highlighted the presence of significant elevated clay-hosted REE concentrations. Samples from nine drillholes returned results in excess of 1,000ppm REO concentration, and three distinct areas of significant REE intersections were identified.



Thick zones of elevated REE concentrations were intersected at the Dickson Well target drillholes PKD22-119 and PKD22-120 west of Cungena (EL6681) and the Kapinnie Exploration Licence (EL6689) in the south-west of the Eyre Peninsula.

**Highlight results included:**

**Cungena (EL6681)**

- 8m at 1,947ppm Total Rare Earth Oxides (TREO) of which 24.5% is Heavy Rare Earth Oxides (HREO) from 50m, including 1m at 4,201ppm TREO including 21.3% is HREO from 54m in drillhole PKD22-119
- 5m at 1,681ppm TREO of which 17.9% is HREO from 57m including 1m at 3,001ppm TREO of which 22.4% is HREO from 61m in drillhole PKD22-120
- 5m at 1,229ppm TREO of which 13.3% is HREO from 29m, within a wider 20m zone with 842ppm TREO of which 17% is HREO from 26m in drillhole PKD22-084

**Kapinnie (EL6689)**

- 3m at 1,684ppm TREO of which 13.9% is HREO from 18m in drillhole PKD22-057.

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Figure 8: Eyre Peninsula Kaolin-Halloysite Project location map

### Kaolin Assay Results

Laboratory assay results were returned from 17 composite samples from Kapinnie licence EL6689 (ASX announcement, 4 October 2022). These confirmed significant, thick intersections of white kaolin mineralisation, with results of minus 45-micron samples in drillhole PKD22-008 containing a 24 metre interval with 45% yield of 90.6% kaolin at 79.4 ISO-B brightness. This included a peak brightness of 81.7 ISO-B reached over a two-metre interval from 29 metres depth.

Field pXRF readings indicated low and constant iron content over the 24 metre interval. In addition, an intersection of 26m at 77.1% kaolin, including 16m at 86.1% kaolin from 8m, was returned from drillhole PKD22-001 (Figure 9).

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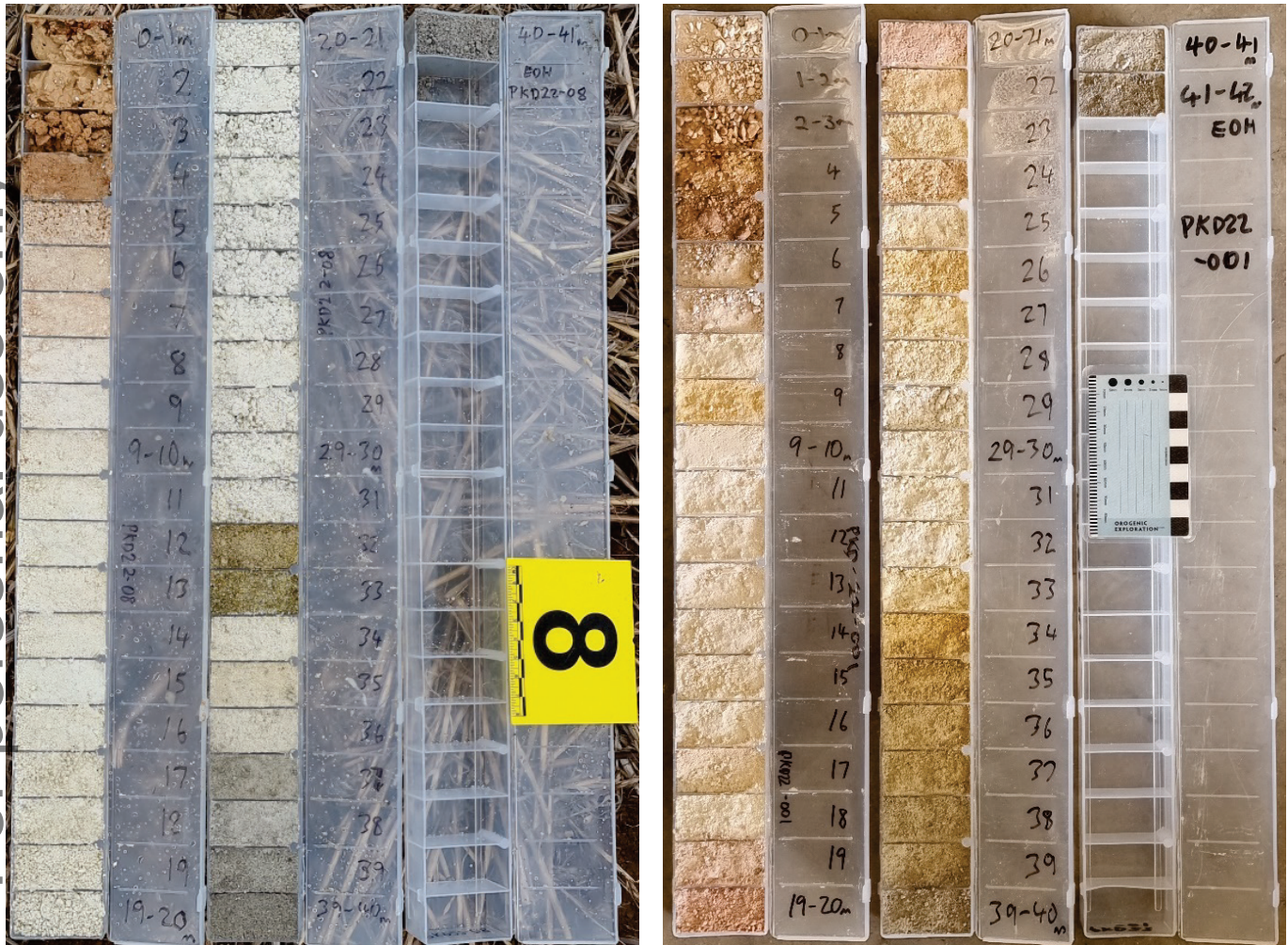


Figure 9: Representative chip samples from drill holes PKD22-008 (left) and PKD22-001 (right), Kapinnie EL 6689

### Halloysite Assay Results

Highly positive halloysite results from drilling at the Eyre Peninsula Project were also reported during the year (ASX announcement, 24 October 2022).

The results, from drillhole PKD22-001, confirmed a significant thick intersection of halloysite-rich kaolin mineralisation at the Kapinnie Kaolin Deposit (within EL6689). Results of minus 45-micron samples returned an impressive 14 metres at 17.8% halloysite, within 26 metres at 77.1% kaolin in drillhole PKD22-001.

Of particular interest, the average halloysite particle size was approximately 25 microns compared to larger kaolinite particles, at approximately 80 microns. This difference in particle size distribution may have positive implications for beneficiation processing to increase halloysite content in kaolin products.

Halloysite is a polymorph of kaolinite (both are kaolin minerals of the same chemical composition) that has uses in high-value traditional markets, such as high-quality porcelain ceramics, and likely potential applications in advanced nanotechnology and ion exchange markets. These uses of halloysite relate to its unusual physical properties including very high surface area, tube-like morphology and bonding reactivity.

### Follow up Drilling Returns Further High-Grade REE Results

In July 2023, Power completed a follow-up 37-hole, 1,567.6 metre aircore drill program based on the successful first-phase of drilling at the Eyre Peninsula Project, which returned further high-grade REE results (Figure 10).

This drilling successfully followed up the Company's high-grade REE discovery at the Dickson Well anomaly on EL6681. Exceptional individual grades were returned, highlighted by a 1-metre sample (PR-105) containing 7,495ppm TREO; of which 2,460ppm (or 32.8%) of the TREO (Total Rare Earth Oxides) was HREO (Heavy Rare Earth Oxides). All samples returned greater than 1,000ppm TREO.

Highlight results included;

- 9m at 3,015 ppm TREO with 535 ppm HREO from 41m including 2m at 7,305 ppm TREO of which 1,781 ppm is HREO from 42m in drillhole PKD23-135
- 10m at 2,097 ppm TREO of which 173 ppm is HREO from 10m in PKD23-161

The 24.2% HREO in the TREO fraction in over one metre from 42 metres returned in drillhole PKD23-135 at Dickson Well is the highest known clay-hosted REE concentration to be reported in South Australia.

Drilling also confirmed the presence of kaolin mineralisation, and samples were also submitted for halloysite analysis.

Further details on the results of this drilling are provided in ASX announcement of 5 September 2023.



Figure 10: Rehabilitation of drillhole PKD23-130 at Dickson Well target (at EL6681), Eyre Peninsula Project.

## SANTA INES COPPER-GOLD PROJECT, ARGENTINA

The Santa Ines Project consists of four mining leases covering 61.5km<sup>2</sup>, in north-western Argentina. It is strategically located in the same geological setting as BHP's nearby, world-class Escondida Copper-Gold Mine in Chile, and 40km south-west of First Quantum's Taca Taca Cu-Au-Mo Project.

Consistent with Power's commitment to assess its project portfolio, the Company completed a maiden drilling program at the Santa Ines Project, and results were reported during the year (ASX announcement, 11 October 2022).

The program comprised five diamond core holes for a total 651.4 metres, and targeted structures and mineralisation below historical surface workings, plus a separate, unexplored shallow magnetic target (Figure 11). The program delivered positive results, highlighted by a broad zone of near-surface copper mineralisation of 26 metres at 0.60% copper from a downhole depth of 62 metres in drillhole PNSI22-00526.

Drilling identified several structural zones with elevated copper and gold, and copper and trace gold were intersected in all targeted zones. Elevated zinc was also reported in drillholes and surface samples. Surface oxide samples containing up to 8.6% Cu and 0.7 g/t Au were also returned.



Figure 11: Drill core from hole PNSI22-001 at 89m showing quartz-malachite-azurite-chrysocolla veins

Subsequent to the reporting of the drilling results, Power executed a binding sale and purchase agreement (Agreement) with Fuyang Mingjin New Energy Development Co., Ltd (Mingjin) for the sale of the Santa Ines Project for an all-cash consideration of \$1.5 million (ASX announcement, 16 May 2023).

The divestment on the Santa Ines Project is consistent with the Company's commitment to, and focus on, the development of its lithium assets in Argentina. The sale proceeds are intended to be deployed in Power's ongoing expedited development plans for its Salta Lithium Project.

At the time of writing this report, Powers receipt of the \$1.5 million sale consideration was pending.

## MUSGRAVE NICKEL - COPPER - COBALT PROJECT, SOUTH AUSTRALIA

The Musgrave Project comprises two Exploration Licences and eight Exploration Licence Applications (ELAs) held, or under farm-in, by wholly-owned Power subsidiary, NiCul Minerals Ltd. The Project covers 14,003km<sup>2</sup> within the Anangu Pitjantjatjara Yankunytjatjara (APY) Lands, in the Musgrave Province of north-west South Australia (Figure 12). This total area represents nearly 25% of the total area of the Musgrave Province in South Australia.

The priority target at the Project is the Pink Slipper geophysical anomaly (Figure 13), which is part of a Farm-in and Joint Venture Agreement (FJVA) with Rio Tinto Exploration Pty Ltd (a wholly owned subsidiary of Rio Tinto Ltd) covering four ELAs. Pursuant to the FJVA with Rio Tinto Exploration, Power has the right to earn a 51% equity in the four FJVA ELAs by progressing the Pink Slipper ELA to grant and meeting certain farm-in expenditure obligations.

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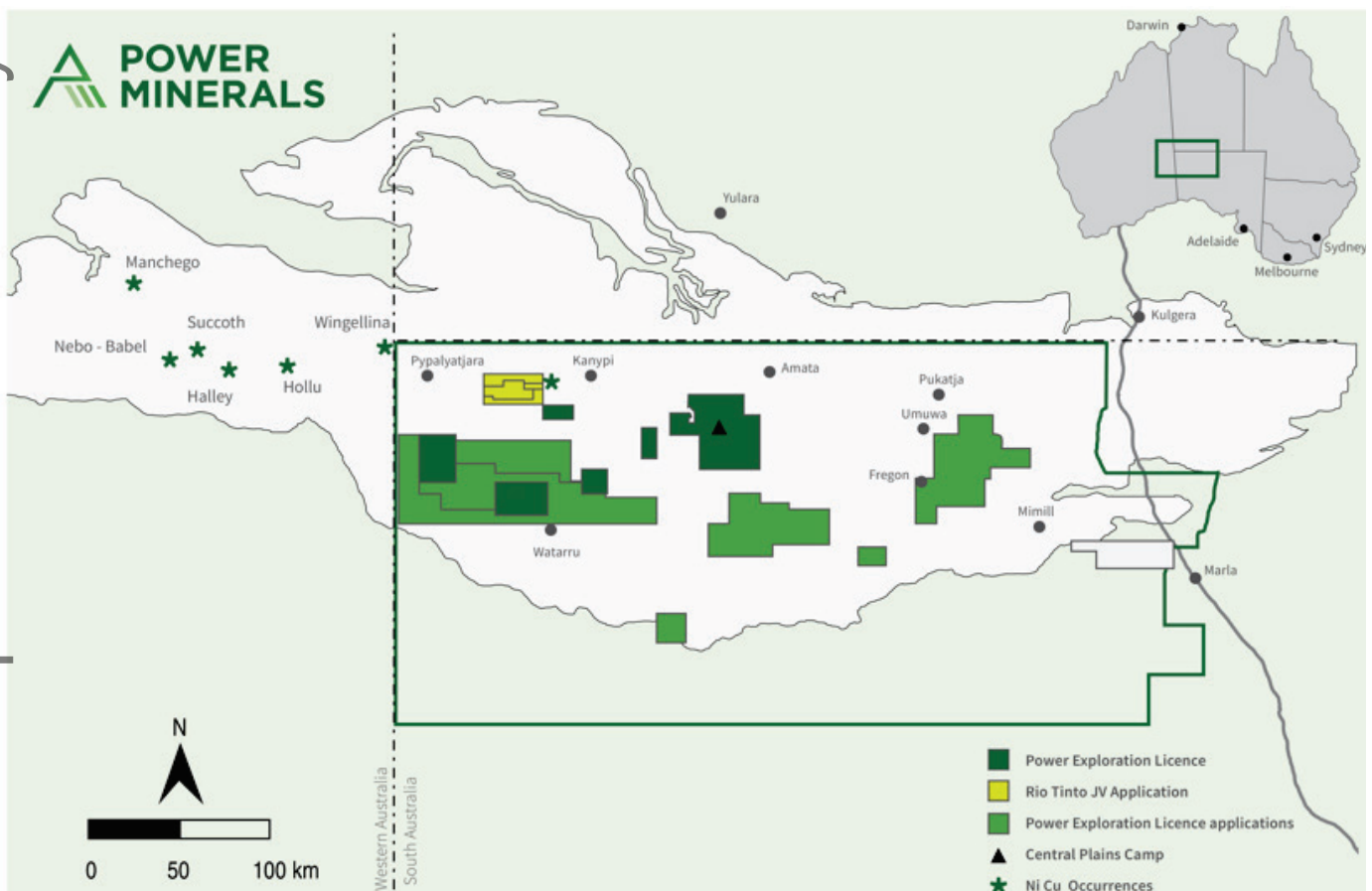


Figure 12: Location Map of the Musgrave Nickel-Copper-Cobalt Project in north-west South Australia

During the year, the Company continued its efforts to negotiate a Deed of Exploration with the traditional owners of the APY Lands. After the traditional summer hiatus, preparations commenced to ensure the traditional owners and Power were fully informed to enable all opinions to be heard and respected. The traditional owners' input and agreement is the final major stage in completing the Exploration Deed. Progress towards a Deed of Exploration is ongoing under the leadership of Power's Land Access General Manager, Damien Barnes.

A Deed of Exploration with the traditional owners is a pre-requisite for the granting of ELA 2015/214, and the commencement of on-ground exploration and drilling at the Pink Slipper target. This represents a core priority for the Company.

Power also reported its plan to drill on EL6148 (Mt Caroline) and EL6597 (Mt Harcus) in the Musgrave Project, subject to securing requisite approvals and heritage clearances (ASX announcement, 28 February 2023).

The Company is continuing to undertake detailed multi-element re-sampling program of previous drill samples to help define drill targets. Drillhole samples were subjected to detailed pXRF analysis, and in excess of 1,000 pXRF analyses up to the end of February analyses had been completed using a full three-beam matrix. This analyses program is continuous and ongoing.

Power Minerals also entered into a collaborative research project with Emeritus Professor John Foden of the University of Adelaide to apply an advanced technical analysis to examine existing samples from the Mt Caroline Intrusion within the Musgrave Project area to identify prospective stratigraphic units (ASX announcement, 28 February 2023). The Mt Caroline intrusion is a layered ultramafic and is part of the prospective Giles Complex mafic magmatic system of discontinuous individual intrusions. The Giles Complex extends east-west across the Musgrave Province basement and hosts the Nebo-Babel sulphide deposit in Western Australia.

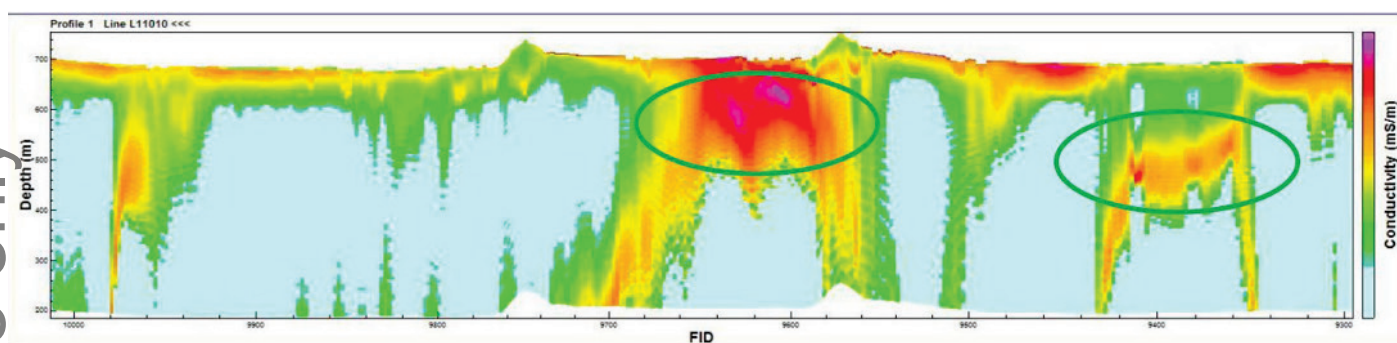


Figure 13: Pink Slipper geophysical anomaly confirmed and refined by Spectrem AEM flown by CSIRO in 2019

## CORPORATE

### KEY APPOINTMENTS

During the year, Power made several key appointments to its executive leadership and management teams, all designed to best align the Company's people skills with its goals and objectives across the business. Summary details of these appointments are provided as follows;

#### Mena Habib Appointed Managing Director

Power Executive Director Mr Mena Habib was appointed the Company's Managing Director during the year. Mr. Habib has played a pivotal role in the growth of the Company since his appointment as Executive Director in January 2022. He has been instrumental in establishing in-country relationships at the Salta Lithium Project, and formulating and implementing the Project's exploration and development strategy, which is focused on expediting commercial outcomes at Salta. Mr. Habib has successfully negotiated and entered into several corporate agreements, including the Binding Term Sheet with DLE technology provider Summit Nanotech Corporation for the funding and development of the Incahuasi salar (ASX announcement, 22 August 2023), and has overseen the ongoing Mineral Resource definition drilling campaign at the Salta Project.

#### Dr Nicholas Lindsay Appointed Technical Advisor

Former Lake Resources (ASX: LKE) Technical Director Dr Nicholas Lindsay was appointed Technical Advisor. In this role he works closely with Power's management and in-country technical team to advance the Company's lithium strategy at the Salta Project, with a view to maximising the commercial outcomes at the Project. He is utilising his experience and expertise in the development of lithium-brine projects in Argentina with Lake Resources to help expedite Power's development strategy for the Salta Project.

### **Daniel Bonafede Appointed Project Manager, Argentina Lithium Projects**

During the year, the Company appointed Mr Daniel Bonafede as Project Manager for its Argentinian lithium projects (ASX announcement, 15 May 2023). Mr Bonafede has a wealth of experience in lithium brine exploration and operations management in Argentina. He is based in Salta, Argentina, and was the founding General Manager of Lake Resources' (ASX: LKE) lithium operations in Catamarca and Jujuy provinces. His is a key leadership role, working with Power's Argentinian team to drive the exploration and development of the Company's lithium assets in Argentina. In addition to his work with Lake Resources, Mr Bonafede previously oversaw the hydrogeology division of the Secretariat for Water Resources in Salta Province, and has also worked in lithium-potassium brine and water, copper and gold exploration in Argentina, Bolivia, Chile, Venezuela and Peru. He has also supervised drilling and QAQC sampling on behalf of drilling companies for clients.

### **Damien Barnes Appointed Land Access General Manager**

The Company appointed Mr Damien Barnes as Land Access General Manager during the year (ASX announcement, 29 November 2022). Mr Barnes is responsible for building and maintaining positive relationships with landowners and local communities across Power's project areas, and in securing site access where required to allow Power to conduct its exploration activities. He has specific responsibilities in leading the Company's efforts to secure a land access agreement to allow it to undertake on-ground exploration at its Musgrave Project in the Musgrave region of north-west South Australia. Mr Barnes has a strong depth of legal, commercial management, dispute resolution and engineering experience in a career spanning 27 years, in the resources, construction, environment, cultural heritage and property sectors - also in land claims and native title.

## **ASSET TRANSACTIONS**

### **Proposed Acquisition of Argentinian Lithium Subsidiaries of Ultra Lithium Inc.**

During the year, Power entered into a Binding Term Sheet to acquire 100% of the Argentinian lithium-brine subsidiaries of Ultra Lithium Inc. (TSXV: ULT) (Ultra) (ASX announcement, 16 May 2023). As part of the transaction, Power also provided funds under a convertible loan agreement to Ultra to provide working capital to facilitate the transaction (ASX announcement, 16 May 2023).

In accordance with the Binding Term Sheet, Power attempted to negotiate an Acquisition Agreement with Ultra. As is standard for any acquisition of this nature, and after completing technical due diligence (ASX announcement, 6 June 2023), Power conducted commercial, financial and legal due diligence of Ultra and their lithium-brine subsidiaries in Argentina.

As part of this due diligence, Power identified key matters of concern, and attempted to productively engage with Ultra. This included proposing updated terms for the transaction in the Acquisition Agreement to consider Power's key matters of concern. Unfortunately, Ultra's lack of substantive engagement with Power in respect of the transaction 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 considering. Power will consider Ultra's proposals for resolution, and will proceed to take appropriate action to protect its interests and resolve its concerns.

### **Sale of Santa Ines Copper Gold Assets**

Power executed a binding sale and purchase agreement (Agreement) with Fuyang Mingjin New Energy Development Co., Ltd (Mingjin) for the sale of the Santa Ines Project for an all-cash consideration of \$1.5 million (ASX announcement, 16 May 2023). The divestment on the Santa Ines Project is consistent with the Company's commitment to, and focus on, the development of its lithium assets in Argentina. The sale proceeds are intended to be deployed in Power's ongoing expedited development plans for its Salta Lithium Project.

Mingjin successfully completed its due diligence process and at time of the 2023 Power Minerals Annual Report, the receipt of the \$1.5 million sale consideration to Power was pending.

## FINANCIAL POSITION AND PERFORMANCE

The Annual Financial Report for the year ended 30 June 2023 is included within the Annual Report.

As at 30 June 2023:

- the Company had cash of \$2,372,682 and no debt.
- Private placements during the year raised \$5,545,001; and
- The exercise of options raised \$241,366.
- Throughout the year expenditure of \$5,158,753 was directed toward exploration activities.

Power Minerals is fundamentally committed to financially efficient and compliant operations and project administration. Details of the exploration undertaken by Power during the year are outlined previously.

## CAPITAL RAISING

### \$5.5m Placement to accelerate work programs

The Company successfully completed a Placement to sophisticated, professional and institutional investors in September 2022, which raised approximately \$5.5 million before costs (ASX announcement, 14 September 2022). The Placement consisted of the issue of up to 10,576,924 shares ordinary fully paid shares (Shares) at an issue price of \$0.52 per Share, and was completed in one tranche under the Company's Listing Rule 7.1 and 7.1A capacity. GBA Capital acted as lead manager to the Placement.

### \$2.6m Strategic Investment to Drive Lithium Strategy

Power entered into a Binding Subscription Agreement with lithium sector investor, Fuyang Mingjin New Energy Development Co., Ltd (Mingjin), under which Mingjin has invested \$2.6 million (before costs) into Power via a Placement of 6.5 million Ordinary Shares at an issue price of \$0.40 per share (ASX announcement, 2 May 2023). The transaction was completed and the funds received by Power in August 2023 (ASX announcement, 31 August 2023). On completion of the Placement, Mingjin held 8.45% of the issued equity capital of Power.

The Placement was completed in one tranche under the Company's Listing Rule 7.1 and 7.1A capacity, and was subject to Foreign Investment Review Board (FIRB) approval, which was secured. Richlink Capital Group and Lynx Advisors Pty Ltd acted as advisors to the Placement.

### Up to USD \$3m Strategic Investment for Incahuasi Lithium Project

Subsequent to the year, Power entered into a 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.

As part of the BTS, Summit will provide Power with a strategic equity capital investment of up to US\$3 million to drive the development of the Incahuasi salar. Power will utilise funds from the strategic investment to expand the Incahuasi JORC Mineral Resource, and for pumping wells, water drilling and engineering studies required to complete a Prefeasibility Study (PFS) at Incahuasi.

US\$2 million of the placement will be completed after shareholder approval is obtained at the EGM on 26 October 2023. The remaining US\$1 million is to be provided by 8 February 2024.



## BUSINESS STRATEGIES AND PROSPECTS FOR FUTURE FINANCIAL YEARS

### BUSINESS STRATEGY

Power plans to continue to improve shareholder value through exploration activity that adds asset value and maximises potential returns to shareholders.

Power's mission is outlined as follows:

- Exploring and developing lithium, copper, nickel, gold, kaolinite-halloysite and cobalt resources as commodities with significant potential as inputs in the battery value chain to support the transition to a low-carbon global economy
- Conducting exploration activity with the highest degree of integrity
- Respecting family, the land and the culture of indigenous peoples wherever they are located
- Exploring with inclusiveness, equality and fairness
- Caring for all who come into contact with the Company
- Having meaningful community engagement and seek community participation
- Respecting the natural environment of the areas in which we operate
- Bringing value to shareholders

Power's corporate strategy is, where possible, to realise value within the holdings of the Company and to fund effective exploration within key project areas, with a view to making a commercially-viable mineral discovery. Strategic equity raisings of capital are regularly undertaken to ensure the Company can adequately fund ongoing activities. Power will continue to consider other opportunities to enhance the value of its portfolio.

Power Minerals Directors consider:

- the lithium brine project to have the potential for development and production of battery grade lithium chemical products in the future,
- the kaolinite-halloysite project holds potential for the discovery and delineation of a viable product,
- the nickel-copper-cobalt-PGE target exploration projects in the Musgrave Ranges in South Australia to have the potential for discovery, of economic deposits, and
- progressing the Company's sustainability policy is a priority in the upcoming year.

Power's current priorities are:

- lithium in Argentina, where the main focus is on efficient, responsible exploration to test and prove the lithium-brine resource and develop the most cost effective production pathways for battery-grade lithium-chemicals.
- kaolinite-halloysite-REE in the Eyre Peninsula in South Australia, with a focus on establishing and quantifying the kaolinite-halloysite-REE resources ahead of evaluation studies.
- Musgrave Nickel-Copper-Cobalt Project in South Australia, with a continued focus on work to secure an Exploration Deed with the Anangu Pitjantjatjara Yankunytjatjara (APY) traditional owners to enable exploration and drilling of the priority Pink Slipper exploration target.

## MATERIAL BUSINESS RISKS

There are inherent risks in the activities and Power recognises that the management of risk is a critical component of achieving its mission and improving shareholder value. The material risks faced by Power that could influence Power's future prospects, and how Power manages these risks is set out below.

### Exploration and development

Exploration and development are high risk activities that require significant expenditures over extended periods of time. Expenditures can be affected by inflation, labour shortages, and supply chain interruptions. The capital expenditures and time required to develop new mines are considerable and changes in cost or construction schedules can significantly increase both the time and capital required to develop a project.

Conclusions drawn during exploration and development are subject to uncertainties associated with all sampling techniques and to the inherent risks in interpretation of geological, geochemical, geophysical, drilling and other data.

Power uses well-established evaluation and ranking methodology to manage exploration and development risks.

### First nations and other community stakeholders

Several of Power's projects are in land areas owned by First Nations people, or where they have significant rights over use of the land.

The APY Lands are owned by the First Nations Anangu Pitjantjatjara Yankunytjatjara (APY) people under the APY Land Rights Act 1981 (SA). Power must gain consent by way of a Deed of Exploration and individual heritage clearance consents with the APY People. Power has executed APY land access agreements for Mt Harcus and Mt Caroline tenements, and is currently progressing negotiations for a Deed of Exploration access agreement over the Pink Slipper location Exploration Licence Application. If Power is unable to execute a land access agreement or obtain consent to access land, Power's ability to conduct exploration and development will be adversely impacted.

In the Puna region of Argentina, the local communities are consulted as part of the environmental and social impact permitting process. Power maintains strong relationships with the Tolar Grande, Pocitos and Olacapato communities, and to date has no adverse observations recorded against its tenements, and the Salta Government has recently granted extensions to current exploration permits. Any adverse observations made by these communities could adversely affect the granting of future permit extensions to Power.

Power also consults with stakeholders on the Eyre Peninsula to ensure that input is received and any potential concerns are addressed. Power's operating procedures and stakeholder engagement processes are used to manage land access, cultural heritage, native title and community stakeholder risks.

### Access to future capital

Power has successfully raised capital from key strategic partners however there can be no assurance that ongoing capital or other types of financing is available to fund future exploration and development.

Power manages financial risks through a central finance function, which operates under a Board approved financial risk management policy covering areas such as liquidity, debt management, interest rate risk, foreign exchange risk, commodity risk and credit risk. The annual capital and operating budget processes approved by the Board ensure appropriate allocation of resources.

## Regulatory risk

Changes in government policy (such as in relation to taxation, environmental protection, competition and pricing regulation and the methodologies permitted to be used for water use and brine disposal) or statutory changes may affect Power's business operations and its financial position. A change in government regime may significantly result in changes to fiscal, monetary, property rights and other issues which may result in a material adverse impact on Power's business and its operations.

Companies in the mining industry may also be required to pay direct and indirect taxes, royalties, and other imposts in addition to normal company taxes. Power currently has operations or interests in Australia and Argentina. Accordingly, its profitability may be affected by changes in government taxation and royalty policies or in the interpretation or application of such policies in each of these jurisdictions.

Power monitors changes in legislation, regulations, rules and procedures across the jurisdictions in which it operates.

## Commodity prices

The price of lithium and other mineral commodities fluctuates due to variations in supply and demand, and global economic conditions. A decline in the price of lithium may have a material adverse effect on the economic potential of Power's lithium resources.

Power incorporates price ranges in economic analyses to assess price exposures.

## Foreign exchange

Contracts for exploration and construction expenditure and sales of commodities in Argentina are generally denominated in US dollars. This has adverse consequences on expenditure in Argentina if the Australian dollar falls against the US dollar, and adverse consequences on any future product sales if the Australian dollar rises against the US dollar.

Power may use derivative financial instruments to economically hedge material risk exposures.

## Climate change

The impacts of climate change may affect Power's operations and the markets in which Power may sell its products through regulatory changes aimed at reducing the impact from or mitigations to climate change. This could include measures to limit carbon emissions such as a carbon tax, technological advances and other economic or market responses, such as consumer behaviour or competition for raw materials.

Climate change may also result in more extreme weather events and physical impacts on Power. Weather changes have the possibility of increased water stress, making management of water resources more critical for communities.

Power actively monitors current and potential areas of climate change and energy transition risk and takes actions to prevent and/or mitigate impacts on its objectives and activities. Reduction of water use and emissions from energy generation is an integral part of development planning to achieve cost efficiencies.

# CORPORATE GOVERNANCE STATEMENT

Power Minerals Limited (the Company, PNN) and the Board are committed to achieving and demonstrating the highest standards of corporate governance. The Board of Directors (Board) continues to review the framework and practices to ensure they meet the interests of shareholders. The Company and its controlled entities together are referred to as the Group in this statement.

The relationship between the Board and senior management is critical to the Group's long-term success. The Directors are responsible to the shareholders for the performance of the Company in both the short and the longer term and seek to balance sometimes competing objectives in the best interests of the Group as a whole. Their focus is to enhance the interests of shareholders and other key stakeholders and to ensure the Group is managed properly.

A description of the Company's main corporate governance practices is set out in the Corporate Governance Statement which is available on the Company's website at <http://www.powerminerals.com.au/about-us/corporate-governance>. The Corporate Governance Statement is current as at 30 June 2023 and has been approved by the Board. These practices, unless otherwise stated, were in place for the entire year.

During the year the Company developed a new Continuous Disclosure Policy to complement ASX Guidance Note 8 & 9 and undertook a review of its Whistleblower Policy, Anti-Bribery & Anti-Corruption Policy and Audit Committee Charter.

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# TENEMENT SCHEDULE

## AUSTRALIAN TENEMENTS

Name	Tenement	Project	Grant Date	Expiry Date	Area Km <sup>2</sup>	Power Interest
Mt Harcus	EL6597	Musgrave	25/10/2020	24/10/2025	1,607	100%
Mt Caroline	EL6148	Musgrave	25/02/2018	25/02/2023 <sup>1</sup>	1,918	100%
Anerinna Hills	ELA118/96	Musgrave	Application		2,415	100%
Willugudinna	ELA185/96	Musgrave	Application		823	100%
Mt Caroline West	ELA367/09	Musgrave	Application		46	100%
Hanging Knoll	ELA368/09	Musgrave	Application		34	100%
Katalina	ELA189/15	Musgrave	Application		2,360	100%
Mt Agnes	ELA190/15	Musgrave	Application		1,342	100%
Krewinkel Hill	ELA191/15	Musgrave	Application		1,256	100%
Ironwood Bore	ELA197/15	Musgrave	Application		2,202	100%
Tjintalka	ELA211/15	Musgrave	Application		184	JV - earning 51%
Kapura	ELA212/15	Musgrave	Application		160	JV - earning 51%
Jalukana	ELA213/15	Musgrave	Application		234	JV - earning 51%
Tjalukana	ELA214/15	Musgrave	Application		37	JV - earning 51%
Kapinnie	EL6689	Eyre Peninsula	1/11/2021	31/10/2027	548	JV - 80%
Cungena	EL6681	Eyre Peninsula	1/10/2021	30/09/2027	581	JV - 80%
Yeelanna	EL6677	Eyre Peninsula	24/09/2021	23/09/2027	284	100%
Whichelby <sup>2</sup>	ELA033/23	Eyre Peninsula	Application		447	100%
	<b>18</b>				<b>16,478</b>	

1. Renewal lodged, delay in formal approval due to administration issues with DEM.

2. Application lodged after 30 June 2023.

## ARGENTINIAN TENEMENTS

Tenement Name	File #	Project	Type	Application Date	Grant Date	Area Ha	Title Holder
Mina Santa Ines	1201	Santa Ines	Mina	27-Sep-10	20-Sep-11	18	PNN SA 100%
Santa Ines VIII	22074	Santa Ines	Mina	18-Jul-13	28-Aug-14	3,014	PNN SA 100%
Santa Ines XII	22373	Santa Ines	Mina	11-Oct-14	30-Nov-15	2,609	PNN SA 100%
Santa Ines XIII	22372	Santa Ines	Mina	11-Oct-14	9-Sep-15	514	PNN SA 100%
	<b>4</b>					<b>6,155</b>	
Sulfa 1	19188	Salar de Pular	Mina	2-Jun-16	22-Feb-17	656	PNN SA 100%
Villanoveno 1	19565	Salar de Rincon	Mina	2-Jun-16	22-Jun-16	1,583	PNN SA 100%
Tabapocitos 02	20017	Salar de Pocitos	Mina	2-Jun-16	22-Jun-16	2,964	PNN SA 100%
Tabapocitos 01	19984	Salar de Pocitos	Mina	4-Apr-17	15-May-21	994	PNN SA 100%
Pocitos 11	22741	Salar de Pocitos	Mina	17-Aug-16	19-Sep-16	2,831	PNN SA 100%
La Maderita	19607	Salar de Arizaro	Mina	4-Aug-17	17-Oct-14	3,500	PNN SA 100%
Sisifo	20545	Salar de Incahuasi	Mina	22-Feb-18	13-Jun-18	2,000	PNN SA 100%
	<b>7</b>					<b>14,529</b>	
	<b>11</b>					<b>20,684</b>	

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# RESERVES AND RESOURCES

## Argentina Salta Lithium Project Reserves and Resources

Salar	Resource Category	Brine Volume m <sup>3</sup> X108	Li Average grade mg/L	Li In situ tonnes	Li Carbonate Equivalent (LCE) tonnes
Rincon	Measured	0.27	252	7,000	36,000
Rincon	Indicated	0.19	233	5,000	24,000
Rincon	Measured+Indicated	0.46	244	12,000	60,000
Rincon	Inferred	0.037	288	1,000	6,000
Incahusai	Measured	1520	198	30,200	160,600
Incahusai	Indicated	699	199	14,000	74,500
Incahusai	Measure+Indicated	2220	198	44,200	235,100
Incahusai	Inferred	131	205	2,700	14,200
Pular	Measured	2.0	87	17,100	91,000
Pular	Inferred	2.0	77	15,400	82,000
<b>TOTAL</b>	<b>Measured</b>	<b>1522.3</b>	<b>197</b>	<b>54,300</b>	<b>287,600</b>
	Indicated	699.2	199	19,000	98,500
	<b>Measure+Indicated</b>	<b>2220.5</b>	<b>198</b>	<b>56,200</b>	<b>295,100</b>
	Inferred	133.0	203	19,100	102,200

Rincon Salar Mineral Resource from PNN ASX Release 27 June 2018

Incahuasi Salar Mineral Resource from PNN ASX Release 24 May 2023

Pular Salar Mineral Resource from PNN ASX Release 23 January 2019

Note minor discrepancies may occur due to rounding of values to significant digits.

Note that mineral resources are not mineral reserves and do not have demonstrated economic viability.

Note the average lithium grade for the Total resource category are weighted averages

# DIRECTORS' REPORT

The Directors of Power Minerals Limited present their Report together with the Consolidated Financial Report, on the Company and its controlled subsidiaries (the Group) for the year ended 30 June 2023.

## DIRECTORS

The following persons were Directors of Power Minerals Limited during the whole of the financial year and up to the date of this Report, except as otherwise noted:

- Stephen Ross
- Mena Habib
- James Moses
- David Turvey

## PRINCIPAL ACTIVITIES

During the year the principal continuing activities of the Group consisted of exploration and project enhancing activities in respect of:

- Lithium
- Copper
- Nickel, cobalt, platinum group elements (PGE)
- Gold
- Kaolin, halloysite, rare earths

The Company's continued focus is on its portfolio of battery and technology metals projects, led by the Salta Lithium Brine Project in Argentina, the copper, nickel, cobalt and PGE in the Musgrave of South Australia, and the Eyre Peninsula kaolin-halloysite-rare earths Project in South Australia.

## DIVIDENDS

No dividends have been paid for the year ended 30 June 2023 or 30 June 2022.

No further dividends have been declared up to the date of this Report.

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## SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There was no significant change in the state of affairs of the Group during the financial year, other than what has been reported in other parts of this Report.

## MATTERS SUBSEQUENT TO THE END OF THE PERIOD

On 22 August 2023 Power announced (ASX Announcement) financing of \$1.5 million via a secured convertible note provided by clients of GBA Capital to make a key acquisition of a new salar. The notes mature in 12 months and can be repaid anytime by Power with 14 days notice, or converted into shares at \$0.40 by the subscribers of the note until that date. Other terms include an establishment fee of 4%, interest payable at 3% per month, and the issue of 1,125,000 unquoted options, at an exercise price of \$0.50, expiring on or before 31 December 2025, which are subject to shareholder approval. The convertible note is secured over assets of the Company.

GBA Capital acted as the Lead Manager for the issue of convertible note and options was paid a placement fee of 5% and will be issued 800,000 unquoted options, at an exercise price of \$0.50, expiring on or before 31 December 2025.

On 31 August 2023 Power announced (ASX Announcement) the completion of a strategic placement raising \$2.6 million from Fuyang Mingjin New Energy Development Co Ltd (Mingjin). The placement consists of 6,500,000 ordinary fully paid shares at an issue price of \$0.40 per share.

Richlink Capital Group and Lynx Advisors Pty Ltd acted as advisors to the placement of shares to Mingjin and were paid a total commission of 6%, and will receive a total of 3,000,000 unquoted options, at an exercise price of \$0.75, expiring on 3 years from the date of issue, which are subject to shareholder approval.

No other matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

## LIKELY DEVELOPMENTS IN FUTURE FINANCIAL YEARS AND EXPECTED RESULTS OF OPERATIONS

The Group intends to continue to advance its portfolio of existing projects, including:

- Mineral Resource definition at priority salares at the Salta Lithium Project, define upgraded Salta Project JORC Mineral Resource, progress Incahuasi pilot testing and Preliminary Feasibility Study project with Summit Nanotech
- Advancement of existing MOUs in relation to DLE technology plus proposed funding of, infrastructure and offtake at the Salta Lithium Project in Argentina
- Further drilling and ongoing test work at the Eyre Peninsula Kaolin-Halloysite-REE Project in South Australia
- Progress of project access to enable on-ground exploration at the Musgrave project Ni-Cu-Co-PGE project in South Australia, in particular the Pink Slipper geophysical anomaly pursuant to the farm-in and joint venture with Rio Tinto Exploration Pty Ltd

## ENVIRONMENTAL REGULATIONS

The exploration and mining tenements granted to the Group, pursuant to the various Mining Acts, is subject to conditions which include standard environmental requirements. The Group adheres to these conditions and the Directors are not aware of any contraventions of these regulations.

## INFORMATION ON DIRECTORS

The particulars of the Directors of the Company during or since the end of the financial year are:

<b>Name:</b>	<b>Stephen Ross</b>
Title:	Non-Executive Director, Chairman
Qualifications	BSc (Geology), Grad Dip Fin, FFINSIA, MAusIMM, MAICD
Experience and expertise:	Stephen Ross is a geologist, independent consultant and public company director that has been involved in the international minerals industry in technical, business development and corporate positions for 30 years. Stephen has sourced significant investments for junior explorers and pre-development resource companies worldwide while holding managing director and technical positions when based in Central Asia, West Africa and Sri Lanka. Stephen is currently a non-executive director of ASX-listed Pinnacle Minerals Limited (ASX:PIM) and Summit Minerals Limited (ASX:SUM). He holds a Bachelor of Science in Geology and a Graduate Diploma in Applied Finance & Investment. He is also a member of the Australasian Institute of Mining and Metallurgy, a Fellow of the Financial Services Institute of Australasia and is a member of the Australian Institute of Company Directors.
Other current listed company directorships:	Pinnacles Minerals Limited (ASX:PIM) 2022 Summit Minerals Limited (ASX:SUM) 2022 Trigg Minerals Limited (ASX:TMG) 2023
Former listed company directorships (last 3 years):	Agua Resources Ltd (ASX: AGR) 2019-2020 East Energy Resources Limited (ASX: EER) 2021
Interest in shares:	Nil
Interest in options:	Nil
Contractual rights to shares:	600,000

<b>Name:</b>	<b>Mena Habib</b>
Title:	Managing Director
Qualifications	Dip. Financial Planning
Experience and expertise:	Mena Habib has extensive experience in management, and sales and marketing, having run multiple businesses with millions of dollars in turnover. He has a strong depth of experience in investment markets, with specific expertise in emerging companies within the mineral resources sector. Mr Habib is a Non-Executive Director of Adelong Gold (ASX:ADG) and an authorised representative of a Melbourne-based corporate advisory and capital funding company.
Other current listed company directorships:	Adelong Gold (ASX:ADG)
Former listed company directorships (last 3 years):	Equinox Resources Ltd (ASX:EQN) 2021-2023
Interest in shares:	468,398
Interest in options:	Nil
Contractual rights to shares:	1,100,000

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<b>Name:</b>	<b>David Turvey</b>
Title:	Non-Executive Director
Qualifications	BSc Hons (Geology), MAusIMM, Dip. Gemmology, Dip. Marketing, FSEG
Experience and expertise:	David Turvey is a geologist with more than 35 years' experience in the global mining industry in exploration, business development and corporate M&A activities, including industrial minerals, specialty energy minerals and metals, precious-base metals and bulk commodities. David holds a Bachelor of Science (Geology) and Diplomas in Gemmology and Marketing Management. He is a Member of the Australasian Institute of Mining and Metallurgy and a Fellow of the Society of Economic Geologists.
Other current listed company directorships:	Nil
Former listed company directorships (last 3 years):	Southern Gold Limited (ASX:SAU) 2010 - 2020 Kogi Iron Limited (ASX:KFE) 2019 - 2020
Interest in shares:	143,462
Interest in options:	Nil
Contractual rights to shares:	420,000

<b>Name:</b>	<b>James Moses</b>
Title:	Non-Executive Director
Qualifications	B Bus, Grad Dip Com
Experience and expertise:	James Moses has an extensive background in investment markets and the media in a career spanning 30 years. He is the founder and managing director of a leading Australian bespoke investor relations and corporate communications practice for public companies. Prior to this, he was Investor Relations Manager for a major national public relations firm. He has also previously worked as a business and finance journalist, and was editor of Australia's leading resource sector investor publication. His career began in the investment market, where he held a number of business development roles with leading global fund managers over a period of 15 years, and was also a private client adviser for a high net worth investment advisory firm. James holds a Bachelor of Business and a Graduate Diploma in Communications-Journalism.
Other current listed company directorships:	Aruma Resources (ASX: AAJ) from August 2022
Former listed company directorships (last 3 years):	Nil
Interest in shares:	Nil
Interest in options:	Nil
Contractual rights to shares:	420,000

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## COMPANY SECRETARY

Pamela Sayers was appointed as the Company Secretary on 31 December 2020. Pamela is a geologist with over 28 years' experience in the tourism, transport and mineral industries in project management, policy development, operations, administration, governance and compliance. She holds an MSc (Qual) a BSc.(Ed) Geology, is a Graduate of the Australian Institute of Company Directors, a Member of the Australian Shareholders Association and a Graduate of the Governance Institute of Australia.

## SHARE OPTIONS AND PERFORMANCE RIGHTS GRANTED TO DIRECTORS AND SENIOR MANAGEMENT

During the financial year no share options or performance rights were granted to Directors, as set out in the Remuneration Report, on pages 39-47.

## SHARES UNDER OPTION

Details of unissued shares under option as at the date of this Report are:

Issuing entity	Number of shares under option	Class of shares	Exercise price of option	Expiry date of options
Power Minerals Limited	5,255,448	Ordinary	\$0.25	31 Dec 2023
Power Minerals Limited	1,159,575	Ordinary	\$0.35	31 Dec 2023
Power Minerals Limited	1,200,000	Ordinary	\$0.35	31 Dec 2023
Power Minerals Limited	2,000,000	Ordinary	\$0.76	31 Dec 2024
Power Minerals Limited	1,500,000	Ordinary	\$1.04	31 Dec 2024
<b>Total</b>	<b>11,115,023</b>			

The holders of these options do not have the right, by virtue of the option, to participate in any share issue or interest issue of the Company or of any other body corporate or registered scheme. Details of performance rights as at the date of this Report are:

Issuing entity	Number of performance rights	Class of shares	Exercise price of rights	Expiry date of performance rights
Power Minerals Limited	2,540,000	Ordinary	0cps	8 Jun 2027
Power Minerals Limited	1,934,526	Ordinary	0cps	8 Jun 2027
<b>Total</b>	<b>4,474,526</b>			

The holders of these performance rights do not have the right, by virtue of the performance right, to participate in any share issue or interest issue of the Company or of any other body corporate or registered scheme.

## SHARES ISSUED ON EXERCISE OF OPTIONS

The following ordinary shares of Power Minerals Limited were issued through the exercise of options during the year ended 30 June 2023 and up to the date of this report:

Issuing entity	Number of shares under option	Class of shares	Exercise price of option	Expiry date of options
Power Minerals Limited	1,251	Ordinary	\$0.80	30 Nov 2022
Power Minerals Limited	930,809	Ordinary	\$0.25	31 Dec 2023
Power Minerals Limited	103,790	Ordinary	\$0.35	31 Dec 2023

## DIRECTORS' MEETINGS

The following table sets out the number of Directors' meetings (including meetings of committees of Directors) held during the financial year and the number of meetings attended by each Director (while they were a Director or Committee member).

Directors	Board of Directors			Corporate Governance Committee			Audit Committee			Remuneration Committee		
	Held	Board Member	Attended	Held	Committee Member	Attended	Held	Committee Member	Attended	Held	Committee Member	Attended
James Moses	11	11	10	1	1	1	2	2	2	1	-	-
David Turvey	11	11	11	1	1	1	2	-	-	1	1	1
Stephen Ross	11	11	11	1	1	1	2	-	-	1	1	1
Mena Habib	11	11	11	1	1	1	2	2	2	1	1	1

## INDEMNIFICATION OF OFFICERS AND AUDITORS

Power Minerals Limited has entered into standard deeds of indemnity and access with each of the Directors. By these deeds, the Company has undertaken, consistent with the Corporations Act 2001, to indemnify each Director in certain circumstances and to maintain Directors' and officers' insurance cover in favour of the Director for seven years after the Director has ceased to be a Director. The Company has paid a premium for the period 1 July 2022 to 1 July 2023 to insure the Directors and officers of the Company, and a new premium covering to 1 July 2024 has been paid in July 2023. In accordance with the terms and conditions of the insurance policy, the amount of the premium paid has not been disclosed on the basis of confidentiality, which is permitted under section 300(9) of the Corporations Act 2001.

No indemnity was given in respect of the auditor, and no insurance premium was paid for such an indemnification.

## PROCEEDINGS ON BEHALF OF THE COMPANY

There are no proceedings on behalf of the Company at the date of this Report.

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the Corporations Act 2001.

## AUDITOR

BDO Audit Pty Ltd continues in office in accordance with section 327 of the Corporations Act 2001.

## NON-AUDIT SERVICES

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 23 to the financial statements.

The Directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The Directors are of the opinion that the services as disclosed in note 23 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

## OFFICERS OF THE COMPANY WHO ARE FORMER PARTNERS OF BDO AUDIT PTY LTD

There are no officers of the Company who are former partners of BDO Audit Pty Ltd.

## AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration is included on page 78 of the annual financial report.

### Resolution of Directors

This Directors' Report is signed in accordance with a resolution of Directors made pursuant to s.298(2)(a) of the Corporations Act 2001.

On behalf of the Directors



Mena Habib  
Managing Director  
Adelaide  
28 September 2023

# REMUNERATION REPORT - AUDITED

The remuneration report details the key management personnel remuneration arrangements for the consolidated entity, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all Directors.

The information provided in this remuneration report has been audited as required by section 308(3C) of the Corporations Act 2001.

## (A) PRINCIPLES USED TO DETERMINE THE NATURE AND AMOUNT OF REMUNERATION

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders and conforms with market practice for delivery of reward. The board ensures that executive reward satisfies the following key criteria for good reward governance practices;

- Competitiveness and reasonableness
- Acceptability to shareholders
- Performance linkage/alignment of executive compensation
- Transparency
- Capital management

The framework provides a mix of fixed and variable pay, and a blend of short and long-term incentives.

The Board has established a Remuneration committee which provides advice on remuneration and incentive policies and specific recommendations on remuneration packages and other terms of employment for executive Directors, other senior executives and Non-Executive Directors. The Corporate Governance Statement provides further information on the role of this Committee.

### Role of Remuneration Committee

The Remuneration Committee is a committee of the Board and is primarily responsible for making recommendations to the Board on:

- Non-Executive Director fees
- Executive remuneration (Directors and other executives) and
- Overarching executive remuneration framework and incentive plan.

Their objective is to ensure that remuneration policies and structures are fair and competitive and aligned with the long-term interests of the Company. In doing this, the Remuneration Committee seeks advice as required from independent remuneration consultants.

The corporate governance statement provides further information on the role of this Committee.

### Non-Executive Directors

Fees and payments to Non-Executive Directors reflect the demands made on, the responsibilities of, and inherent risk to Directors. Non-Executive Directors' fees and payments are reviewed annually by the Board and Non-Executive Directors are remunerated for their services as Directors by a fixed sum and not a commission on a percentage of profits or operating revenue.

The total approved remuneration pool from which non-executive remuneration is paid may not be increased except at a general meeting in which particulars of the proposed increase have been provided in the notice convening the meeting to Shareholders. Directors are also entitled to reasonable travel, accommodation and other expenses incurred in attending Company or Board meetings, or meetings of any Committee engaged in the Group's business.

ASX listing rules require the aggregate non-executive directors' remuneration be determined periodically by a general meeting. The most recent determination was at the Annual General Meeting held on 25 November 2021, where the shareholders approved a maximum annual aggregate remuneration of \$300,000.

Performance rights are granted to non-executive directors as approved by shareholders to attract and retain high calibre Directors to the Board.

### **Directors' retirement benefits**

Any Director may be paid a retirement benefit as determined by the Board, consistent with the Corporations Act and the Listing Rules.

### **Directors' voting obligations**

A Director is disallowed from voting on any contract or arrangement in which he or she has directly or indirectly any material interest, if it will be contrary to the Corporations Act. If such a Director does vote, his or her vote will not be counted, nor will his or her attendance be counted in the quorum present at the meeting. Either or both prohibitions may be relaxed or suspended to any extent by ordinary resolution passed at a General Meeting if permitted by the Corporations Act.

## **(B) EXECUTIVE REMUNERATION POLICY AND FRAMEWORK**

In determining executive remuneration, the Board aims to ensure that remuneration practices are:

- Competitive and reasonable, enabling the Company to attract and retain key talent
- Aligned to the Company's strategic and business objectives and the creation of shareholder value
- Transparent, and
- Acceptable to shareholders.

The executive remuneration framework has three components:

- Base pay and benefits, including superannuation,
- Short-term performance incentives, and
- Long-term incentives through participation in Power share option or performance rights plans.

### **Base pay and benefits**

Executives receive their base pay and benefits structured as a total employment cost (TEC) package which may be delivered as a combination of cash and prescribed non-financial benefits at the executives' discretion.

Executives are offered a competitive base pay that comprises the fixed component of pay and rewards. Base pay for executives is reviewed annually to ensure the executive's pay is competitive with the market. An executive's pay is also reviewed on promotion or change in role.

There are no guaranteed pay increases included in any executives' contracts. Executives do not receive any benefits. Employees receive Superannuation Guarantee payments based on the statutory percentage of base salary. No other retirement benefits are provided directly by the Group unless approved by shareholders.



## Short-term incentives

The Board may consider short term performance related remuneration in the form of cash or share based payments to reward performance in relation to shorter term strategic objectives of the Company. There were no cash bonuses paid or short-term incentive share-based payments issued to executives in the years ended 30 June 2022 and 30 June 2023.

## Long-term incentives (LTI)

Share-based payments remuneration in the form of performance rights (LTI) was implemented during the year ended 30 June 2023 for certain employees and contractors, linking remuneration to share price performance and operational targets.

The Power Minerals Limited Employee Share Option Plan and Performance Rights Plan are designed to provide long-term incentives for executives to deliver long-term shareholder returns. Under these plans, participants are granted options or performance rights which only vest if the employees are still employed by the Company at the end of the vesting period. Participation in the plan is at the Board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

The vesting conditions are determined by the Board as a long-term employment performance incentive specific to the employee and executive. Once vested, the options are exercisable at points over a period of years determined by the Board. Options are granted under the plan for no consideration.

Share-based payments remuneration in the form of performance rights (LTI) was implemented during the year ended 30 June 2022 for Directors, linking remuneration to share price performance.

## Share trading policy

The trading of shares by Directors, employees and contractors must comply with the Company's updated Securities Trading Policy which was issued to ASX and made available to all shareholders on 12 October 2022 and came into effect from 16 October 2022.

## (C) USE OF REMUNERATION CONSULTANTS

During the year an independent external remuneration consultant was engaged to undertake a review across a suite of suitable peer companies for the purposes of benchmarking employee share schemes and remuneration incentives as part of the development of a company plan. As a result of an internal selection process, the Company appointed Ophir Partners to provide guidance around the structure and use of performance rights as an appropriate incentive mechanism for its executive and staff remuneration packages and whether the proposed numbers of performance rights and terms were commercially reasonable. This has resulted in share-based payments remuneration in the form of performance rights (LTI) plan being implemented for staff and contractors. Total fees paid to Ophir Partners for the independent advice was \$15,000 during the year ended 30 June 2023.

An agreed set of protocols were put in place to ensure that the remuneration recommendations would be free from undue influence from key management personnel. These protocols include requiring that the consultant not communicate with affected key management personnel without a member of the Remuneration Committee being present, and that the consultant not provide any information relating to the outcome of the engagement with the affected key management personnel. The Board is also required to make inquiries of the consultant's processes at the conclusion of the engagement to ensure that they are satisfied that any recommendations made have been free from undue influence. The Board is satisfied that these protocols were followed and as such there was no undue influence.

## (D) VOTING AND COMMENTS MADE AT THE COMPANY'S 2022 ANNUAL GENERAL MEETING

Power Minerals Limited received 4.85% of votes Against the Resolution on its Remuneration Report for the 2022 financial year and as this was less than 25% of the votes the Resolution was carried. In 2021 the Company received 8.16% of votes Against the Resolution on its Remuneration Report and as this was less than 25% of the votes the Resolution was carried.

## (E) CONSOLIDATED ENTITY PERFORMANCE AND LINK TO REMUNERATION

The tables below set out summary information about the Group's earnings and movements in shareholder wealth for the five years to June 2023:

	30 June 2023 \$'000	30 June 2022 \$'000	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2019 \$'000
Revenue	98	61	99	55	1
Net (loss)/profit before tax	(2,998)	(984)	(1,040)	(974)	(1,306)
Net (loss)/profit after tax	(3,088)	(1,047)	(1,103)	(985)	(1,374)
Share price at start of year	\$0.445	\$0.265	\$0.001	\$0.003	\$0.019
Share price at end of year	\$0.385	\$0.445	\$0.265	\$0.001	\$0.003
Interim dividend	-	-	-	-	-
Final dividend	-	-	-	-	-
Basic (loss)/earnings per share	(4.4) cps	(1.9) cps	(3.4) cps	(0.1) cps	(0.2) cps
Diluted (loss)/earnings per share	(4.4) cps	(1.9) cps	(3.4) cps	(0.1) cps	(0.2) cps
Short term incentive (% of maximum)	0.00%	0.00%	10.00%	0.00%	0.00%

The payment of the short-term incentive is at the discretion of the Board. The short-term incentive (Cash Bonus) as a percentage of the maximum available, share price and the earnings per share for the current year and the previous four years are set out in the table above.

Share-based payments remuneration in the form of performance rights (LTI) was implemented during the year ended 30 June 2022 for Executive Directors and Non-Executive Directors, linking remuneration to share price performance.

By granting performance rights subject to performance criteria and exercisable in tranches, the Company aligns the incentives to the long-term performance of the Company. The Board considers that the grant of performance rights to its Directors, which are subject to the performance criteria, provides an additional incentive to those Directors to work towards maximising returns to shareholders and to encourage each Director's retention.

Further, the Board also considers that the use of performance rights is superior to alternative forms of incentives, such as cash, on the basis that the performance rights becoming exercisable and the consequential issuing of shares in the capital of the Company to each of the directors means that the shareholding in the Company of each of those Directors increases, and this results in an increased alignment of the interests of Directors and Shareholders.

The relative proportions of remuneration paid/payable that are linked to performance and those that are fixed are as follows:

Directors of Power Minerals Limited	Fixed remuneration		At risk STI		At risk LTI	
	2023	2022	2023	2022	2023	2022
Mena Habib	56.0%	90.5%	-	-	44.0%	9.5%
Stephen Ross	52.5%	86.3%	-	-	47.5%	13.7%
James Moses	60.9%	88.0%	-	-	39.1%	12.0%
David Turvey	69.4%	89.4%	-	-	30.6%	10.6%

**(F) DETAILS OF REMUNERATION**

Details of the remuneration of key management personnel of the consolidated entity, as detailed below, are set out in the following tables.

**Key management personnel of the Group**

2023	Short term employee benefits				Post-employment benefit	Long term benefits	Termination benefits	Share based payments	Total
Name	Cash salary and fees	Cash bonus	Consulting Fees	Other	Super-annuation	Long service leave	Termination benefits	Share based payments	Total
<b>Executive Directors</b>	\$	\$	\$	\$	\$	\$	\$	\$	\$
Mena Habib	219,874	-	-	-	23,005	-	-	190,533	433,412
<b>Non-Executive Directors</b>	\$	\$	\$	\$	\$	\$	\$	\$	\$
Stephen Ross	75,000	-	36,000	-	7,875	-	-	107,695	226,570
James Moses	40,909	-	72,000	-	4,295	-	-	75,386	192,590
David Turvey	40,909	-	125,438	-	4,295	-	-	75,386	246,028
<b>Total Key Management Personnel Compensation (Group)</b>	<b>376,692</b>	<b>-</b>	<b>233,438</b>	<b>-</b>	<b>39,470</b>	<b>-</b>	<b>-</b>	<b>449,000</b>	<b>1,098,600</b>

2022	Short term employee benefits				Post-employment benefit	Long term benefits	Termination benefits	Share based payments	Total
Name	Cash salary and fees	Cash bonus	Consulting Fees	Other	Super-annuation	Long service leave	Termination benefits	Share based payments	Total
<b>Executive Directors</b>	\$	\$	\$	\$	\$	\$	\$	\$	\$
Rebecca Holland-Kennedy (resigned 22 October 21 as Managing Director and 25 November 21 as NED)	58,004	18,182	12,170	79,877	24,739	57,841	91,324	-	342,137
Mena Habib (appointed 9 July 21 as NED and 17 January 22 as Executive Director)	110,779	-	24,000	-	5,000	-	-	10,963	150,742
<b>Non-Executive Directors</b>	\$	\$	\$	\$	\$	\$	\$	\$	\$
Luis Kennedy (resigned 25 November 21)	8,966	-	-	-	897	-	-	-	9,863
Robert (Wei) Sun (resigned 7 July 21)	782	-	-	-	78	-	-	-	860
James Moses	35,463	-	60,000	-	682	-	-	4,337	100,482
David Turvey (appointed 7 July 21)	38,750	-	93,000	-	2,125	-	-	4,337	138,212
Stephen Ross (appointed 9 July 21)	44,196	-	59,500	-	1,000	-	-	6,196	110,892
<b>Total Key Management Personnel Compensation (Group)</b>	<b>296,940</b>	<b>18,182</b>	<b>248,670</b>	<b>79,877</b>	<b>34,521</b>	<b>57,841</b>	<b>91,324</b>	<b>25,833</b>	<b>853,188</b>

No Director or member of senior management appointed during the period received any payments during the year other than those detailed above.

No cash bonuses were paid to directors or other key management personnel as part of compensation during the year ended 30 June 2023.

## **(G) SERVICE AGREEMENTS**

Mena Habib is employed as Managing Director. He was initially appointed as an Executive Director under an employment service contract which commenced on 1 April 2022 with employment contract terms including a \$220,000 per annum salary inclusive of superannuation. He was appointed as Managing Director on 10 January 2023 and his employment contract terms were revised including a \$265,200 per annum salary inclusive of superannuation. Termination may be made by either party on providing 8 weeks' notice and termination benefits payable upon redundancy are in accordance with applicable industrial laws.

Non-executive Directors are engaged via a letter of appointment. James Moses was engaged from 5 May 2021, David Turvey was engaged from 7 July 2021 and Stephen Ross and Mena Habib from 9 July 2021. David Turvey was engaged to provide specific project consulting services from 1 October 2021. Stephen Ross and James Moses were also engaged to provide specific project consulting services from November 2021. There are no provisions for termination payments under the consulting service agreements.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

## **(H) SHARE BASED COMPENSATION**

### **Issue of Shares**

No ordinary shares in the Company were issued to Directors or other key management personnel as part of compensation during the year ended 30 June 2023.

### **Options**

No options over ordinary shares in the Company were granted to Directors or other key management personnel as part of compensation during the year ended 30 June 2023.

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## Performance Rights

No performance rights over ordinary shares in the Company were granted to Directors or other key management personnel as part of compensation during the year ended 30 June 2023.

The terms and conditions of each grant of options and rights over ordinary shares affecting remuneration of Directors and other key management personnel held during this financial year or future reporting years are:

Name	Number of performance rights granted	Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per performance at grant date
Mena Habib	300,000	9 June 2022	9 June 2024	8 June 2027	\$0	\$0.4978
Mena Habib	400,000	9 June 2022	9 June 2025	8 June 2027	\$0	\$0.4983
Mena Habib	400,000	9 June 2022	9 June 2026	8 June 2027	\$0	\$0.4962
Stephen Ross	200,000	9 June 2022	9 June 2024	8 June 2027	\$0	\$0.4978
Stephen Ross	200,000	9 June 2022	9 June 2025	8 June 2027	\$0	\$0.4983
Stephen Ross	200,000	9 June 2022	9 June 2026	8 June 2027	\$0	\$0.4962
James Moses	140,000	9 June 2022	9 June 2024	8 June 2027	\$0	\$0.4978
James Moses	140,000	9 June 2022	9 June 2025	8 June 2027	\$0	\$0.4983
James Moses	140,000	9 June 2022	9 June 2026	8 June 2027	\$0	\$0.4962
David Turvey	140,000	9 June 2022	9 June 2024	8 June 2027	\$0	\$0.4978
David Turvey	140,000	9 June 2022	9 June 2025	8 June 2027	\$0	\$0.4983
David Turvey	140,000	9 June 2022	9 June 2026	8 June 2027	\$0	\$0.4962
<b>Total</b>	<b>2,540,000</b>					

Performance rights are exercisable by the holder from the vesting date, upon the satisfaction of conditions relating to share price performance.

Performance rights granted carry no dividends or voting rights. All performance rights were granted over unissued fully paid ordinary shares in the Company. The performance rights issued are for nil consideration and are exercisable for \$0. There has not been any alteration to the terms and conditions of the grant since the grant date.

## (I) EQUITY HOLDINGS

### Shareholdings

The number of shares in the Company held during the financial year by each Director of Power Minerals Limited and other key management personnel of the Group, including their personally related parties, are set out below.

2023 Name	Balance at the start of the year #	Received during the year on the exercise of options #	Additions	Other changes during the year #	Balance at the end of the year #
<b>Directors of Power Minerals Limited</b>					
<b>Ordinary shares</b>					
Stephen Ross	-	-	-	-	-
Mena Habib	420,321	-	48,077	-	468,398
James Moses	-	-	-	-	-
David Turvey	105,000	-	38,462	-	143,462
<b>Other key management personnel of the Group</b>					
<b>Ordinary shares</b>					
None					

### Option holdings

The number of options over ordinary shares in the Company held during the financial year by each Director, and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

2023 Name	Balance at start of the year #	Options granted as compensation #	Exercised #	Lapsed/other #	Balance at the end of the year #	Remuneration consisting of options for the year %
<b>Directors of Power Minerals Limited</b>						
<b>Options</b>						
Stephen Ross	-	-	-	-	-	-
Mena Habib	81,895	-	-	-	81,895	-
James Moses	-	-	-	-	-	-
David Turvey	-	-	-	-	-	-
<b>Other key management personnel of the Group</b>						
<b>Options</b>						
None						

There were 81,895 options over unissued ordinary shares held by Directors of Power Minerals Limited and other key management personnel at reporting date.

## Performance right holdings

The number of performance rights over ordinary shares in the Company held during the financial year by each Director, and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

2023 Name	Balance at start of the year #	Performance rights granted as compensation #	Exercised #	Lapsed/ other #	Balance at end of the year #	Remuneration consisting of rights for the year %
<b>Directors of Power Minerals Limited</b>						
<b>Performance rights</b>						
Stephen Ross	600,000	-	-	-	600,000	56.5%
Mena Habib	1,100,000	-	-	-	1,100,000	44.0%
James Moses	420,000	-	-	-	420,000	62.5%
David Turvey	420,000	-	-	-	420,000	62.5%
<b>Other key management personnel of the Group</b>						
<b>Performance rights</b>						
None						

There were 2,540,000 performance rights over unissued ordinary shares held by Directors of Power Minerals Limited and other key management personnel at reporting date.

## (J) OTHER TRANSACTIONS WITH DIRECTORS AND KEY MANAGEMENT PERSONNEL

There were no loans or other transactions with Directors and key management personnel.

**End of Audited Remuneration Report**

# AUDITORS INDEPENDENCE DECLARATION



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Australia

**DECLARATION OF INDEPENDENCE  
BY PAUL GOSNOLD  
TO THE DIRECTORS OF POWER MINERALS LIMITED**

As lead auditor of Power Minerals Limited for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Power Minerals Limited and the entities it controlled during the period.

Paul Gosnold  
Director

**BDO Audit Pty Ltd**

Adelaide, 28 September 2023

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# SISIFO PROJECT

SALAR DE INCAHUASI

**DDH:** PM22-IN-03

**FROM:** 0,00

**BOX:** 1-3

**TO:** 52,90

PM22-IN-03

Box 4

PM22IN03  
F 5 50

PM22IN03  
F 8 50

PM22IN03  
F 20 50

PM22IN03  
F 23 50

PM22-IN-03

PM22-IN-03  
F: 38,50  
R: 0,70

PM22-IN-03



## FINANCIAL STATEMENTS

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# FINANCIAL STATEMENTS

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## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the financial year ended 30 June 2023

	Note	Consolidated	
		2023 \$	2022 \$
Revenue from continuing operations	3	98,091	61,241
Other income	3	1,331,175	538,016
Foreign currency gain/(loss)	3	(207,638)	(62,469)
<b>Expenses</b>			
Depreciation and amortisation		(29,210)	(18,315)
Employment and contractor costs		(695,186)	(539,200)
Termination benefits		-	(91,324)
Investor relations		(232,013)	(33,897)
Compliance and regulatory expenses		(221,756)	(227,950)
Consulting fees		(132,023)	(131,959)
Legal fees		(310,126)	(226,496)
Operating expenses		(359,138)	(105,619)
Share based payments expenses	13	(659,139)	(25,833)
Interest expense		(3,035)	(1,465)
Impairment of exploration and evaluation assets	9	(1,461,484)	-
Impairment for credit losses		(116,903)	(118,572)
<b>Total expenses</b>		<b>(4,220,013)</b>	<b>(1,520,630)</b>
<b>Loss before tax</b>		<b>(2,998,385)</b>	<b>(983,842)</b>
Income tax benefit/(expense)	4	(89,669)	(62,678)
<b>Loss for the year</b>		<b>(3,088,054)</b>	<b>(1,046,520)</b>
<b>Other comprehensive income</b>			
Items that may be reclassified to profit or loss			
Foreign currency translation	12	207,617	346,043
<b>Total other comprehensive income</b>		<b>207,617</b>	<b>346,043</b>
<b>Total comprehensive loss for the year</b>		<b>(2,880,437)</b>	<b>(700,477)</b>
Attributable to:			
Members of Power Minerals Limited		(2,880,437)	(700,477)
		<b>(2,880,437)</b>	<b>(700,477)</b>
<b>Earnings per share for loss attributable to the ordinary equity holders of the Company:</b>			
Basic loss (cents per share)	14	(4.4)	(1.9)
Diluted loss (cents per share)	14	(4.4)	(1.9)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2023

	Note	Consolidated	
		2023 \$	2022 \$
<b>Current assets</b>			
Cash and cash equivalents	5	2,372,682	3,588,298
Trade and other receivables	6	191,182	95,138
Financial assets	7	1,130,000	-
Held for sale asset	8	1,410,000	-
<b>Total current assets</b>		<b>5,103,864</b>	<b>3,683,436</b>
<b>Non-current assets</b>			
Trade and other receivables	6	257,779	113,595
Exploration and evaluation expenditure	9	26,014,126	23,522,356
Right of use asset		8,885	8,404
Property, plant and equipment		89,493	112,655
<b>Total non-current assets</b>		<b>26,370,283</b>	<b>23,757,010</b>
<b>Total assets</b>		<b>31,474,147</b>	<b>27,440,446</b>
<b>Current liabilities</b>			
Trade and other payables	10	879,332	221,447
Lease liabilities		9,158	6,790
Employee benefits		124,882	51,142
<b>Total current liabilities</b>		<b>1,013,372</b>	<b>279,379</b>
<b>Non-current liabilities</b>			
Employee benefits		7,475	3,830
<b>Total non-current liabilities</b>		<b>7,475</b>	<b>3,830</b>
<b>Total liabilities</b>		<b>1,020,847</b>	<b>283,209</b>
<b>Net assets</b>		<b>30,453,300</b>	<b>27,157,237</b>
<b>Equity</b>			
Issued capital	11	45,926,980	40,951,692
Reserves	12	3,283,246	2,695,146
Retained earnings		(18,756,926)	(16,489,601)
<b>Total equity attributable to equity holders of the Company</b>		<b>30,453,300</b>	<b>27,157,237</b>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the financial year ended 30 June 2023

Consolidated	Issued capital \$	Reserves \$	Retained earnings \$	Total equity \$
<b>Balance at 1 July 2022</b>	<b>40,951,692</b>	<b>2,695,146</b>	<b>(16,489,601)</b>	<b>27,157,237</b>
Profit/(Loss) after income tax expense	-	-	(3,088,054)	(3,088,054)
Other comprehensive income, net of tax	-	207,617	-	207,617
<b>Total comprehensive (loss)/income</b>	<b>-</b>	<b>207,617</b>	<b>(3,088,054)</b>	<b>(2,880,437)</b>
Issue of shares, net of transaction costs and tax	4,845,361	-	-	4,845,361
Share based payments	-	1,331,139	-	1,331,139
Transfer from reserves	129,927	(950,656)	820,729	-
<b>Balance at 30 June 2023</b>	<b>45,926,980</b>	<b>3,283,246</b>	<b>(18,756,926)</b>	<b>30,453,300</b>

Consolidated	Issued capital \$	Reserves \$	Retained earnings \$	Total equity \$
<b>Balance at 1 July 2021</b>	<b>35,779,326</b>	<b>3,292,770</b>	<b>(15,443,081)</b>	<b>23,629,015</b>
Profit/(Loss) after income tax expense	-	-	(1,046,520)	(1,046,520)
Other comprehensive income, net of tax	-	346,043	-	346,043
<b>Total comprehensive (loss)/income</b>	<b>-</b>	<b>346,043</b>	<b>(1,046,520)</b>	<b>(700,477)</b>
Issue of shares, net of transaction costs and tax	3,448,866	-	-	3,448,866
Share based payments	-	779,833	-	779,833
Transfer from reserves	1,723,500	(1,723,500)	-	-
<b>Balance at 30 June 2022</b>	<b>40,951,692</b>	<b>2,695,146</b>	<b>(16,489,601)</b>	<b>27,157,237</b>

The above consolidated statements of changes in equity should be read in conjunction with the accompanying notes.

## CONSOLIDATED STATEMENT OF CASHFLOWS

for the financial year ended 30 June 2023

	Note	Consolidated	
		2023 \$	2022 \$
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST)		20,465	63,521
Payments to suppliers and employees (inclusive of GST)		(2,369,906)	(1,160,742)
<b>Net cash from operating activities</b>	5	<b>(2,349,441)</b>	<b>(1,097,221)</b>
<b>Cash flows from investing activities</b>			
Interest received		51,441	2,477
Receipts from blue chip swaps transactions		1,331,175	-
Payments for exploration and evaluation activities		(4,524,011)	(2,298,170)
Payments for property, plant and equipment		(4,280)	(118,750)
Payment of loan to other entity		(1,130,000)	-
<b>Net cash from investing activities</b>		<b>(4,275,675)</b>	<b>(2,414,443)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issues of equity securities		5,786,367	4,390,901
Costs of issuing shares		(358,674)	(250,714)
Repayment of lease liabilities		(24,288)	(26,779)
<b>Net cash from financing activities</b>		<b>5,403,405</b>	<b>4,113,408</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(1,221,711)</b>	<b>601,744</b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<b>3,588,298</b>	<b>2,979,869</b>
<b>Effects of exchange rate changes on cash and cash equivalents</b>		<b>6,095</b>	<b>6,685</b>
<b>Cash and cash equivalents at the end of the reporting period</b>	5	<b>2,372,682</b>	<b>3,588,298</b>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## GENERAL INFORMATION

### NOTE 1 GENERAL INFORMATION

This financial report covers the consolidated financial statements for the consolidated entity consisting of Power Minerals Limited (the “Company” or “Parent”) and its controlled entities (the “Group” or the “consolidated entity”).

Registered office and principal place of business:

6/68 North Terrace

KENT TOWN SA 5067

+61 (08) 8218 5000

Email: admin@powerminerals.com.au

Power Minerals Limited was incorporated in Australia and is domiciled in Australia.

A description of the nature of the consolidated entity’s operations and its principal activities is included in the review of operations and activities in the Directors’ report, which is not part of this financial report.

The financial report was authorised for issue by the Directors on 28 September 2023. The Group has the power to amend and reissue the financial report.

### NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### (a) Basis of preparation

The general purpose financial report has been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the Corporations Act 2001. Power Minerals Limited is a for-profit entity for the purpose of preparing the financial statements.

##### (i) Compliance with IFRS

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board.

##### (ii) Historical cost convention

These financial statements have been prepared under the historical cost convention.

##### (iii) Critical accounting estimates

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are discussed in the respective notes:

(a) *Exploration and evaluation expenditure (Note 9)*

(b) *Share based payments (Note 13)*

##### (iv) Reclassification

When the presentation or classification of items in the financial report is amended, comparative amounts are reclassified to ensure comparability.

**NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)***(v) Going concern*

The financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and discharge of liabilities in the ordinary course of business. This includes the realisation of capitalised exploration expenditure of \$27,424,126 (30 June 2022: \$23,522,356).

The Group has incurred a loss after tax for the year of \$3,088,054 (2022: \$1,046,520) and operations were funded by a net cash outflow of \$2,349,441 (2022 outflow: \$1,097,221).

The financial statements do not include any adjustments that may be necessary if the consolidated entity is unable to continue as a going concern.

*(vi) Principles of consolidation*

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Company as at 30 June 2023 and the results for all subsidiaries for the year then ended.

Subsidiaries are all those entities (including special purpose entities) over which the Group has control. Control is achieved when the group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions and balances between Group companies are eliminated in full. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

There are no significant restrictions on the ability of Power Minerals Limited to access or use assets, and settle liabilities of any of the controlled entities.

*(vii) Parent entity information*

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in Note 15.

*(viii) Notes to the financial statements*

Accounting policies and critical accounting judgements applied to the preparation of financial statements have been moved to the relevant section.

Information is only being included in the Notes to the extent that it has been considered material and relevant to the understanding of the financial statements.

**(b) Adoption of new and revised Accounting Standards**

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

There are no standards issued but not yet effective that are expected to have a material impact on the entity in future reporting periods or on foreseeable future transactions.

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**NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(c) Goods and services tax**

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included within other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the taxation authority, are presented as operating cash flows.

**(d) Foreign currency translation**

The financial statements are presented in Australian dollars, which is Power Minerals Limited's functional and presentation currency.

**Foreign currency transactions**

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

**Foreign operations**

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed.

## BUSINESS PERFORMANCE

### NOTE 3 REVENUE AND OTHER INCOME

	Consolidated	
	2023 \$	2022 \$
<b>Revenue from continuing operations</b>		
Interest	51,441	2,477
Revenue from customers	46,650	58,764
<b>Total</b>	<b>98,091</b>	<b>61,241</b>
<b>Other income</b>		
Administrative services income	-	107
Gain on blue chip swap transactions	1,331,175	537,909
<b>Total</b>	<b>1,331,175</b>	<b>538,016</b>
<b>Foreign currency gain/(loss)</b>		
Foreign currency gain/(loss) on exchange movements	(207,638)	(62,469)
<b>Total</b>	<b>(207,638)</b>	<b>(62,469)</b>

#### Interest income

Interest income is recognised using the effective interest method.

#### Revenue from customers

Revenue is measured at the amount the Group expects to be entitled to in exchange for those goods or services and is recognised at the point at which control of the goods or services is transferred to the customer.

#### Gain on blue chip swap transactions

Exchange controls instituted by the Argentine government restricts the purchase of foreign currencies.

As a result of these exchange controls, the Group use a legal trading mechanism commonly known as the Blue Chip Swap in which the foreign operation in Argentina buys Argentinian securities in USD, then sells the securities in Argentina for Argentinian Pesos on the same day. This is to enable the Group to fund working capital in its Argentinian operations. The Blue Chip Swap rate has diverged significantly from Argentina's official exchange rate resulting in the Group recognising a gain from Blue Chip Swap transactions.

The Blue Chip Swaps are financial instruments where the gain or loss associated with the trading of these financial instruments are treated as other income or other expenses. The Group holds no Blue Chip Swaps at 30 June 2023 (30 June 2022: nil) and never holds Blue Chip Swaps overnight.

**NOTE 4 TAXATION**

Power Minerals Limited and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation. As a consequence, these entities are taxed as a single entity and the deferred tax assets and liabilities of these entities are set off in the consolidated financial statements.

Deferred tax assets for deductible temporary differences and unused tax losses have not been recognised as it is not probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred income tax is determined using a tax rate applicable at the end of the reporting period and expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

	Consolidated	
	2023 \$	2022 \$
<b>Numerical reconciliation of income tax expense to prima facie tax payable</b>		
Loss from continuing operations before income tax expense	(2,998,385)	(983,842)
Tax at the Australian tax rate of 25% (2022: 25%)	(749,596)	(245,961)
Non-deductible expenses	194,326	7,016
Foreign loss/(gain) not recognised	(213,557)	(83,929)
Derecognise temporary differences	858,496	385,552
<b>Income tax expense</b>	<b>89,669</b>	<b>62,678</b>
<b>Recognised directly in equity</b>	<b>89,669</b>	<b>62,678</b>
<b>Tax losses not recognised</b>		
<b>Unused tax losses for which no deferred tax asset has been recognised:</b>		
Revenue losses	43,555,841	39,384,014
Capital losses	5,840,531	5,840,531

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## NOTE 5 CASH

	Consolidated	
	2023 \$	2022 \$
<b>Cash and cash equivalents</b>		
Cash on hand	1,688	2,231
Cash at bank	2,370,994	2,604,272
Cash on deposit	-	981,795
<b>Balance at end of period</b>	<b>2,372,682</b>	<b>3,588,298</b>

## Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

## Reconciliation of loss after income tax to net cash outflow from operating activities, and non-cash activities

	Consolidated	
	2023 \$	2022 \$
Loss for the year after tax	(3,088,054)	(1,046,520)
<b>Non-cash items</b>		
Depreciation and amortisation expensed	29,210	18,315
(Gain)/loss on disposal of PPE	-	1,573
Impairment of exploration assets	1,461,484	-
Share based payments expense	659,139	25,833
<b>Items not classified as operating</b>		
Gain on blue chip swap transactions	(1,331,175)	-
Interest income	(51,441)	(2,477)
Income tax expense	89,669	62,678
<b>Changes in net operating assets and liabilities</b>		
(Increase)/decrease in assets:		
Trade and other receivables	(240,228)	(69,194)
Increase/(decrease) in liabilities:		
Trade and other payables	44,571	32,936
Employee benefits liabilities	77,384	(120,365)
<b>Net cash outflow from operating activities</b>	<b>(2,349,441)</b>	<b>(1,097,221)</b>

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## NOTE 6 TRADE AND OTHER RECEIVABLES

	Consolidated	
	2023 \$	2022 \$
<b>Current - Trade and other receivables</b>		
Trade and other receivables	222,824	120,881
Prepayments	9,203	4,477
Less: expected credit losses	(40,845)	(30,220)
<b>Total</b>	<b>191,182</b>	<b>95,138</b>
<b>Non current - Trade and other receivables</b>		
Trade and other receivables	458,274	201,947
Less: expected credit losses	(200,495)	(88,352)
<b>Total</b>	<b>257,779</b>	<b>113,595</b>

## Trade and other receivables

Of the total trade and other receivables balance, \$181,979 is expected to mature in less than 12 months (2022: \$90,661).

The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are measured at amortised cost. Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses.

The carrying value of the receivables approximates their fair value. Information about the Group's exposure to foreign currency risk, interest rate risk and price risk pertaining to the trade and other receivables balances is disclosed in Note 18.

## NOTE 7 FINANCIAL ASSETS

	Consolidated	
	2023 \$	2022 \$
<b>Current - Financial assets</b>		
Loan receivables	1,130,000	-
<b>Total</b>	<b>1,130,000</b>	<b>-</b>

## Loan receivables

In May 2023, the Group provided a secured convertible loan of \$1,130,000 to Ultra Lithium Inc. for working capital. Interest accrues daily on the principal outstanding at a rate of 10% per annum. The loan is repayable upon demand by the Group at any time by the issue of shares in Ultra Lithium Inc, or in cash at any time after 30 June 2024 or in the event of a default.

The loan receivable is recognised at fair value and subsequently measured at fair value through profit and loss.

## NOTE 8 HELD FOR SALE ASSETS

	Consolidated	
	2023 \$	2022 \$
<b>Balance at beginning of period</b>	-	-
Reclassification from exploration and evaluation assets	1,410,000	-
<b>Balance at end of period</b>	<b>1,410,000</b>	-

## Held for sale assets

Non-current assets classified as held for sale are presented separately and measured at the lower of their carrying amounts immediately prior to their classification as held for sale and their fair value less costs to sell. However, some held for sale assets such as financial assets or deferred tax assets, continue to be measured in accordance with the Group's relevant accounting policy for those assets. Once classified as held for sale, the assets are not subject to depreciation or amortisation.

Any profit or loss arising from its remeasurement to fair value less costs to sell is recognised in the profit or loss.

## Reclassification from exploration and evaluation assets

In May 2023 the Group entered into an agreement with Fuyang Mingjin New Energy Development Co Ltd to dispose of its Santa Ines assets for a cash consideration of AUD \$1,500,000. The sale is pending on the completion of the legal transfer of the assets and overseas direct investment approval by the Government of China, which is in progress as the date of this report. Richlink Capital Group and Lynx Advisors acted as facilitators to the sale and will receive a total of 6% commission on completion of the sale.

Management have assessed this sale as highly probable and the asset has been reclassified from exploration and evaluation assets to held for sale asset. Immediately prior to reclassification the asset was remeasured at fair value less costs to sell of \$1,410,000, and an impairment of \$1,461,484 has been recognised in the profit or loss.

## NOTE 9 EXPLORATION AND EVALUATION EXPENDITURE

	Consolidated	
	2023 \$	2022 \$
<b>Balance at beginning of period</b>	<b>23,522,356</b>	<b>18,577,983</b>
Additions	5,158,753	2,369,080
Reclassification of intangible asset	-	2,293,428
Foreign currency movement	204,501	281,865
Impairment on reclassification to held for sale asset	(1,461,484)	-
Reclassification to held for sale asset	(1,410,000)	-
<b>Balance at end of period</b>	<b>26,014,126</b>	<b>23,522,356</b>

**NOTE 9 EXPLORATION AND EVALUATION EXPENDITURE (CONTINUED)****Exploration and evaluation asset**

The Group capitalises and carries forward exploration and evaluation expenditure incurred (e.g. payments for tenement acquisition and maintenance, analytical, geological, geophysical, exploration related personnel, drilling and results analysis, and an allocation of exploration overhead) where the rights of tenure of the area of interest are current and expenditures are expected to be recouped through:

- i. successful development and commercial exploitation of the area of interest; or
- ii. by its sale or exploration; or
- iii. evaluation activities in the area of interest have not, at the reporting date, reached a stage which permits an assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost, and have an indefinite life (the useful life ends at an indeterminate time when future decisions are made to sell, transfer, develop and exploit, or discontinue the use of these assets).

Details of the statutory expenditure commitments for granted exploration tenements are disclosed in Note 20.

**Reclassification of intangible asset**

In April 2021, the Group acquired 100% of Hillside Minerals Pty Ltd (Hillside) for a consideration valued at a total of \$2,293,428.

On acquisition, Hillside held two exploration licence applications for tenements on the Eyre Peninsula in South Australia. As at 30 June 2021, the licenses remained in the application phase, and as such the value was not capitalised to exploration and evaluation assets because no active right to tenure was present. Rather, the value was recorded as an intangible asset. In November 2021, the licenses were formally approved and an active right to tenure was established. Accordingly, the value was reclassified to exploration and evaluation assets for the year ended 30 June 2022.

**Reclassification to held for sale asset**

In May 2023 the Group entered into an agreement with Fuyang Mingjin New Energy Development Co Ltd to dispose of its Santa Ines assets for a cash consideration of AUD \$1,500,000. The sale is pending on the completion of the legal transfer of the assets and overseas direct investment approval by the Government of China, which is in progress as the date of this report. Richlink Capital Group and Lynx Advisors acted as facilitators to the sale and will receive a total of 6% commission on completion of the sale.

Management have assessed this sale as highly probable and the asset has been remeasured at fair value less costs to sell of \$1,410,000, and an impairment of \$1,461,484 has been recognised in the profit or loss.

**Critical accounting estimates and judgements: Impairment of exploration and evaluation asset**

The Group's accounting policy for exploration and evaluation expenditure results in expenditure being capitalised for an area of interest where it is considered likely to be recoverable by future exploitation or sale or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. This policy requires management to make certain estimates as to future events and circumstances, in particular whether an economically viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised the expenditure under the policy, a judgement is made that recovery of the expenditure is unlikely, the relevant capitalised amount will be written off to the income statement.

## NOTE 10 TRADE AND OTHER PAYABLES

Trade and other payables	Consolidated	
	2023 \$	2022 \$
Trade payables	879,332	229,093
Accrued expenses	-	(7,646)
<b>Balance at end of period</b>	<b>879,332</b>	<b>221,447</b>

## Trade and other payables

Trade and other payables are initially recognised at fair value and subsequently measured at amortised cost. Trade and other payables are presented as current liabilities unless payment is not due within 12 months.

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## CAPITAL

## NOTE 11 ISSUED CAPITAL

	2023		2022	
	No.	\$	No.	\$
<b>Fully paid ordinary shares</b>				
<b>Balance at beginning of financial year</b>	<b>61,516,865</b>	<b>40,951,692</b>	<b>44,828,674</b>	<b>35,779,326</b>
Issue of shares	10,663,463	5,545,001	14,236,843	5,423,500
Issue of shares on the exercise of options	953,955	241,366	2,451,348	690,901
Transfer from reserves	-	129,927	-	-
Share issue costs	-	(1,030,675)	-	(1,004,713)
Tax effect on issue costs	-	89,669	-	62,678
<b>Balance at end of financial year</b>	<b>73,134,283</b>	<b>45,926,980</b>	<b>61,516,865</b>	<b>40,951,692</b>

## Share buy-back

There is no current on-market share buy-back.

## Ordinary shares

Ordinary shares entitle the holder to participate in dividends and to share in the proceeds of winding up of the Group in proportion to the number of and amounts paid on the shares held. All issued ordinary shares carry one vote per share. Ordinary shares have no par value and the Company does not have a limited amount of authorised capital. Ordinary shares are classified as equity. Costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

## Capital risk management

The Group considers its capital to comprise its ordinary share capital and accumulated losses as shown in the Consolidated statement of changes in equity. The Group's objectives when managing capital is to safeguard its ability to continue as a going concern. To ensure this the group monitors capital to ensure the Company has appropriate cash and cash equivalents to meet needs, and may adjust dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

There were no changes to the Group's approach to capital management during the year. The Group is not subject to externally imposed capital requirements.

## NOTE 12 RESERVES

Consolidated	Prepaid share reserve \$	Share-based payments reserve \$	Foreign currency translation reserve \$	Total reserves \$
<b>Balance at 1 July 2022</b>	-	<b>2,349,103</b>	<b>346,043</b>	<b>2,695,146</b>
Translation of foreign operations	-	-	207,617	207,617
<b>Total comprehensive (loss)/income</b>	-	-	<b>207,617</b>	<b>207,617</b>
Transfer to issued capital	-	(129,927)	-	(129,927)
Transfer to retained earnings	-	(820,729)	-	(820,729)
Share based payments	-	1,331,139	-	1,331,139
<b>Balance at 30 June 2023</b>	-	<b>2,729,586</b>	<b>553,660</b>	<b>3,283,246</b>

Consolidated	Prepaid share reserve \$	Share-based payments reserve \$	Foreign currency translation reserve \$	Total reserves \$
<b>Balance at 1 July 2021</b>	<b>306,000</b>	<b>2,986,770</b>	-	<b>3,292,770</b>
Translation of foreign operations	-	-	346,043	346,043
<b>Total comprehensive (loss)/income</b>	-	-	<b>346,043</b>	<b>346,043</b>
Transfer to issued capital	(306,000)	(1,417,500)	-	(1,723,500)
Share based payments	-	779,833	-	779,833
<b>Balance at 30 June 2022</b>	-	<b>2,349,103</b>	<b>346,043</b>	<b>2,695,146</b>

## Prepaid share reserve

This reserve is used to recognise share placement cash received where the associated shares are not issued before the end of the reporting period. Prepaid share amounts are transferred to issued capital when the shares are subsequently issued.

## Share-based payments reserve

This reserve is used to recognise the fair value at grant date of equity settled transactions. The fair value is capitalised or expensed over the vesting period of the shares or options. Details of share based payments are disclosed in Note 13.

## Foreign currency translation reserve

This reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. The functional currency of Power Minerals Limited's controlled subsidiary, Power Minerals Sociedad Anonima, is US Dollars.

## NOTE 13 SHARE BASED PAYMENTS

During the financial year the Company recognised the following amounts from share-based payment transactions:

	Consolidated	
	2023 \$	2022 \$
Expensed to profit and loss	659,139	25,833
Capitalised as equity	672,000	754,000
<b>Total</b>	<b>1,331,139</b>	<b>779,833</b>
<b>And credited to:</b>		
Share based payments reserve	1,331,139	779,883
<b>Total</b>	<b>1,331,139</b>	<b>779,883</b>

### Director performance rights

On 9 June 2022, shareholders approved the issue of 2,540,000 performance rights to key management personnel at an issue price of \$0 per right and a total transactional value of \$1,263,444, of which \$449,000 was recognised as a share-based payment expense in the year ended 30 June 2023. The rights were granted over ordinary shares of Power Minerals Limited for nil consideration and can only be exercised upon the achievement of both time and market-based share price vesting conditions. Directors must still be employed or engaged by the Company on the vesting date, else the right lapses. Each right converts into one ordinary share of Power Minerals Limited on exercise. No amounts are paid or payable by the recipient on receipt of the right. The performance rights carry neither rights to dividends nor voting rights. Details are disclosed in the Remuneration report pages 39-47.

No performance rights were exercised during the year ended 30 June 2023 (2022: Nil).

The weighted average remaining contractual life of the performance rights outstanding at the end of the period was 47 months (2022: 59 months). Below is a summary of performance rights:

Grant Date	Vesting Date	Expiry Date	Exercise price	Balance at start of the year	Granted during the year	Forfeited during the year	Exercised during the year	Expired during the year	Balance at end of the year	Vested and exercisable at end of the year
			\$	Number	Number	Number	Number	Number	Number	Number
<b>Consolidated and company - 2023</b>										
9 Jun 22	TBD	8 Jun 27	\$0.00	780,000	-	-	-	-	780,000	-
9 Jun 22	TBD	8 Jun 27	\$0.00	880,000	-	-	-	-	880,000	-
9 Jun 22	TBD	8 Jun 27	\$0.00	880,000	-	-	-	-	880,000	-
<b>TOTAL</b>				<b>2,540,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,540,000</b>	<b>-</b>
Weighted average exercise price of options				\$0.00	-	-	-	-	\$0.00	-
<b>Consolidated and company - 2022</b>										
9 Jun 22	TBD	8 Jun 27	\$0.00	-	780,000	-	-	-	780,000	-
9 Jun 22	TBD	8 Jun 27	\$0.00	-	880,000	-	-	-	880,000	-
9 Jun 22	TBD	8 Jun 27	\$0.00	-	880,000	-	-	-	880,000	-
<b>TOTAL</b>				<b>-</b>	<b>2,540,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,540,000</b>	<b>-</b>
Weighted average exercise price of options					\$0.00	-	-	-	\$0.00	-

## NOTE 13 SHARE BASED PAYMENTS (CONTINUED)

## Employee performance rights

On 12 May 2023, the board approved the issue of 1,934,526 performance rights to employees and persons engaged under a consultancy agreement at an issue price of \$0 per right and a total transactional value of \$ 802,510, of which \$210,138 was recognised as a share-based payment expense in the year ended 30 June 2023. The rights were granted over ordinary shares of Power Minerals Limited for nil consideration and can only be exercised upon the achievement of both time, market-based share price, and other non-market performance conditions. Recipients must still be employed or engaged by the Company on the vesting date, else the right lapses. Each right converts into one ordinary share of Power Minerals Limited on exercise. No amounts are paid or payable by the recipient on receipt of the right. The performance rights carry neither rights to dividends nor voting rights.

No performance rights were exercised during the year ended 30 June 2023 (2022: Nil).

The weighted average remaining contractual life of the performance rights outstanding at the end of the period was 47 months (2022: NIL). Below is a summary of performance rights:

Grant Date	Vesting Date	Expiry Date	Exercise price	Balance at start of the year	Granted during the year	Forfeited during the year	Exercised during the year	Expired during the year	Balance at end of the year	Vested and exercisable at end of the year
			\$	Number	Number	Number	Number	Number	Number	Number
<b>Consolidated and company - 2023</b>										
12-May-23 <sup>(1)</sup>	TBD	8-Jun-27	\$0.00	-	421,296	-	-	-	421,296	-
12-May-23 <sup>(1)</sup>	TBD	8-Jun-27	\$0.00	-	167,659	-	-	-	167,659	-
12-May-23 <sup>(1)</sup>	TBD	8-Jun-27	\$0.00	-	189,155	-	-	-	189,155	-
12-May-23 <sup>(1)</sup>	TBD	8-Jun-27	\$0.00	-	189,153	-	-	-	189,153	-
12-May-23 <sup>(2)</sup>	TBD	8-Jun-27	\$0.00	-	290,180	-	-	-	290,180	-
12-May-23 <sup>(2)</sup>	TBD	8-Jun-27	\$0.00	-	290,180	-	-	-	290,180	-
12-May-23 <sup>(2)</sup>	TBD	8-Jun-27	\$0.00	-	386,903	-	-	-	386,903	-
<b>TOTAL</b>				-	<b>1,934,526</b>	-	-	-	<b>1,934,526</b>	-
Weighted average exercise price of options				-	\$0.00	-	-	-	\$0.00	-

Grant Date	Vesting Date	Expiry Date	Exercise price	Balance at start of the year	Granted during the year	Forfeited during the year	Exercised during the year	Expired during the year	Balance at end of the year	Vested and exercisable at end of the year
<b>Consolidated and company - 2022</b>										
NIL performance rights										

1 Performance rights with market conditions

2 Performance rights with non-market conditions

No performance rights were exercised during the year ended 30 June 2023 (2022: Nil).

## Fair value of performance rights granted

The fair value of the rights granted is recognised as an expense, with a corresponding increase in equity. The fair value is measured at grant date and is recognised over the period during which it is expected that the holder will become unconditionally entitled to the share.

The fair value at grant date for performance rights with market-based share price conditions is determined using a Binomial option pricing model. The fair value of the rights granted uses market prices for shares and is adjusted to reflect market vesting conditions, but excludes the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each reporting date, the entity revises its estimate of the number of rights that are expected to become exercisable. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

**NOTE 13 SHARE BASED PAYMENTS (CONTINUED)**

For performance rights with market performance conditions granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant Date	Vesting Date	Exercisable from date	Expiry Date	Share price at grant date	10 day VWAP price hurdle	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
				\$	\$	\$	\$	\$	\$	\$
12 May 23	TBD	9 Jun 23	8 Jun 27	\$0.415	\$0.70	\$0	288.6%	0%	3.09%	\$0.4149
12 May 23	TBD	9 Jun 24	8 Jun 27	\$0.415	\$1.20	\$0	288.6%	0%	3.09%	\$0.4147
12 May 23	TBD	9 Jun 25	8 Jun 27	\$0.415	\$1.50	\$0	288.6%	0%	3.09%	\$0.4145
12 May 23	TBD	9 Jun 26	8 Jun 27	\$0.415	\$2.00	\$0	288.6%	0%	3.09%	\$0.4142

The fair value at grant date for performance rights with non-market performance conditions is the share price on grant date. Management assessment of likelihood of achievement of performance condition prior to expiry:

Grant Date	Vesting Date	Exercisable from date	Expiry Date	Share price at grant date	Share price at grant date	Non-market performance condition	Number of performance rights expected to vest
				\$	\$		
12 May 23	TBD	12 May 23	8 Jun 27	\$0.415	\$0.415	Production of 500,000 tonne LCE Salta lithium resource or Kaolin JORC Mineral Resource.	290,180
12 May 23	TBD	12 May 23	8 Jun 27	\$0.415	\$0.415	Production of 1,000,000 tonne LCE Salta lithium resource or First Drillhole Musgrave	290,180
12 May 23	TBD	12 May 23	8 Jun 27	\$0.415	\$0.415	Lithium binding funding and offtake agreement or Musgrave JORC Minerals Resource	386,903

**Other share-based payments****Shares**

No shares were issued during the year for payment of services or asset acquisition (2022: 4,500,000).

**Options**

1,500,000 options were granted during the year for payment of services (2022: 2,000,000).

The weighted average remaining contractual life of share options for other share-based payments outstanding at the end of the period was 13 months (2022: 21 Months).

The weighted average fair value of options granted during the year was \$0.45 per option (2022: \$0.25).

For options granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant Date	Vesting Date	Expiry Date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
			\$	\$	%	%	%	\$
13 Sep 22	13 Sep 22	31 Dec 24	\$0.655	\$1.04	148.0%	0%	3.08%	\$0.448

**NOTE 13 SHARE BASED PAYMENTS (CONTINUED)**

Below is a summary of options for other share-based payments:

Grant Date	Vesting Date	Expiry date	Exercise price	Balance at start of the year	Granted during the year	Share Consolidation	Exercised during the year	Expired during the year	Balance at end of the year	Vested and exercisable at end of the year
				#	#	#	#	#	#	#
<b>Consolidated and company - 2023</b>										
6 May 19	6 May 19	30 Nov 22	\$0.80	510,000	-	-	-	(510,000)	-	-
27 Sep 19	27 Sep 19	30 Nov 22	\$0.80	240,000	-	-	-	(240,000)	-	-
26 Nov 20	26 Nov 20	31 Dec 23	\$0.25	1,733,671	-	-	-	-	1,733,671	1,733,671
7 Apr 21	9 Nov 21	31 Dec 23	\$0.35	1,200,000	-	-	-	-	1,200,000	1,200,000
9 Jun 22	9 Jun 22	31 Dec 24	\$0.76	2,000,000	-	-	-	-	2,000,000	2,000,000
13 Sep 22	13 Sep 22	31 Dec 24	\$1.04		1,500,000				1,500,000	1,500,000
<b>TOTAL</b>				<b>5,683,671</b>	<b>1,500,000</b>	<b>-</b>	<b>-</b>	<b>(750,000)</b>	<b>6,433,671</b>	<b>6,433,671</b>
Weighted average exercise price of options				\$0.52	\$1.04				\$0.61	\$0.61
<b>Consolidated and company - 2022</b>										
6 May 19	6 May 19	30 Nov 22	\$0.80	510,000	-	-	-	-	510,000	510,000
27 Sep 19	27 Sep 19	30 Nov 22	\$0.80	240,000	-	-	-	-	240,000	240,000
26 Nov 20	26 Nov 20	31 Dec 23	\$0.25	2,500,000	-	-	(766,329)	-	1,733,671	1,733,671
7 Apr 21	9 Nov 21	31 Dec 23	\$0.35	1,200,000	-	-	-	-	1,200,000	1,200,000
9 Jun 22	9 Jun 22	31 Dec 24	\$0.76	-	2,000,000	-	-	-	2,000,000	2,000,000
<b>TOTAL</b>				<b>4,450,000</b>	<b>2,000,000</b>	<b>-</b>	<b>(766,329)</b>	<b>-</b>	<b>5,683,671</b>	<b>5,683,671</b>
Weighted average exercise price of options				\$0.37	\$0.76				\$0.52	\$0.52

**NOTE 14 EARNINGS PER SHARE**

Basic earnings per share is calculated by dividing:

- the profit attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, and
- the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

	<b>Consolidated</b>	
	<b>2023 Cents</b>	<b>2022 Cents</b>
Total basic loss per share attributable to the ordinary equity holders of the Company	(4.4)	(1.9)
Total diluted loss per share attributable to the ordinary equity holders of the Company	(4.4)	(1.9)
Loss attributable to the ordinary equity holders of the Company used in calculating basic earnings per share	(\$3,088,054)	(\$1,046,520)

Weighted average number of shares used as the denominator for both basic and diluted loss per share is 70,037,462 (2022: 54,246,477). A total of 15,682,938 options (2022: 12,455,499) have not been included in the calculation of diluted loss per share as they are anti-dilutive.

## STRUCTURES

### NOTE 15 PARENT ENTITY INFORMATION

Statement of Financial Position	Parent	
	2023 \$	2022 \$
Current assets	1,216,382	3,498,969
Non-current assets	27,989,886	17,640,997
<b>Total assets</b>	<b>29,206,268</b>	<b>21,139,966</b>
Current liabilities	304,159	206,415
Non-current liabilities	7,475	3,830
<b>Total liabilities</b>	<b>(311,634)</b>	<b>(210,245)</b>
<b>Net assets</b>	<b>28,894,634</b>	<b>20,929,721</b>
<b>Shareholders' equity</b>		
Issued capital	45,926,982	40,951,692
Share Based Payment Reserve	2,729,586	2,349,103
Retained earnings	(19,761,934)	(22,371,074)
<b>Total shareholders' equity</b>	<b>28,894,634</b>	<b>20,929,721</b>
<b>Statement of Profit or Loss and Other Comprehensive Income</b>	<b>\$</b>	<b>\$</b>
<b>Profit or loss for the year</b>	<b>(2,446,929)</b>	<b>(1,353,541)</b>
<b>Total comprehensive income</b>	<b>(2,446,929)</b>	<b>(1,353,541)</b>

The financial information for the parent entity, Power Minerals Limited, disclosed above have been prepared on the same basis as the consolidated financial statements, except as set out below:

#### Investments in subsidiaries

Investments in subsidiaries are accounted for at cost less impairment in the financial statements of Power Minerals Limited.

#### Tax consolidation legislation

Details of tax consolidation treatment are disclosed in Note 4.

#### Contingent liabilities

The Company has not provided any financial guarantees as at 30 June 2023 and has no contingent liabilities as at 30 June 2023 (2022: none).

**NOTE 16 INVESTMENTS IN SUBSIDIARIES**

The consolidated financial statements incorporate the assets, liabilities, and results of the following wholly-owned subsidiaries in accordance with the accounting policy described in Note 2:

Name of subsidiary	Country of Incorporation	Ownership Interest	
		2023 %	2022 %
NiCul Minerals Ltd*	Australia	100	100
PepinNini Resources Curnamona Pty Ltd*	Australia	100	100
PepinNini Robinson Range Pty Ltd*	Australia	100	100
PepinNini Minerals International Pty Ltd*	Australia	100	100
PepinNini QLD Pty Ltd*	Australia	100	100
PepinNini Kaolin Pty Ltd*	Australia	100	100
Power Minerals Sociedad Anonima	Argentine Republic	100	100

The proportion of ownership interest is equal to the proportion of voting power held.

\* These companies are members of the tax-consolidated group. Power Minerals Limited is the head entity within the tax consolidated group.

**NOTE 17 BUSINESS AND GEOGRAPHICAL SEGMENTS**

The Group has applied AASB 8 *Operating Segments* from 1 July 2009. AASB 8 requires a 'management approach' under which segment information is presented on the same basis as that used for internal reporting purposes. The chief operating decision-makers have been identified as the board of Directors consisting of executive and non-executive Directors.

The operating segments are identified by management based on the nature of the commodity to be sold. Discrete financial information about operating businesses is reported to the executive management (executive Directors) on at least a monthly basis. The Group operates in one segment, being mineral exploration and development.

Non-current operating assets	Consolidated	
	2023 \$	2022 \$
Australia	16,337,138	15,480,530
Argentina	9,676,988	8,041,826
<b>Total</b>	<b>26,014,126</b>	<b>23,522,356</b>



## UNRECOGNISED ITEMS AND ADDITIONAL INFORMATION

### NOTE 18 FINANCIAL RISK MANAGEMENT

The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis of interest rate, foreign exchange and other price risks.

Risk management is carried out by the board of Directors who provide principles for overall risk management. The Group holds the following financial instruments:

	Note	Consolidated	
		2023 \$	2022 \$
<b>Financial assets at amortised cost</b>			
Cash and cash equivalents	5	2,372,682	3,588,298
Trade and other receivables	6	191,182	208,733
<b>Total</b>		<b>2,563,864</b>	<b>3,797,031</b>
<b>Financial assets at fair value through profit or loss</b>			
Loan receivable	7	1,130,000	-
<b>Total</b>		<b>1,130,000</b>	<b>-</b>
<b>Financial liabilities at amortised cost</b>			
Trade and other payables	10	(879,332)	(221,447)
Lease Liability		(9,158)	(6,790)
<b>Total</b>		<b>(888,490)</b>	<b>(228,237)</b>

Trade and other payables amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method. Most of the Group's financial liabilities are due to be settled within 6 months. Consequently, no discounting has been applied for the time value of money, and the total contractual cash flows are equal to the carrying amounts of trade and other payables.

#### Market risk

##### Commodity price risk

Changes in commodity prices may impact the Group's projected cash flows in future years and may impact the assessment of the carrying value of its assets. However, given the Company is not yet in production, changes in commodity prices do not currently impact the Group's profit or loss or its cash flows.

##### Interest rate risk

Exposure arises from assets bearing variable interest rates. With consideration of the cash balance at 30 June 2023 and the Group's intention to hold fixed rate assets to maturity, the impact of interest rate risk is considered to be immaterial.

**NOTE 16 FINANCIAL RISK MANAGEMENT (CONTINUED)****Currency risk**

Foreign exchange risk arises from future commercial transactions and recognised financial assets and liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

The group operates internationally and is exposed to foreign exchange risk arising from fluctuations in the United States (US) Dollar and Argentine Peso. The Group manages US dollar foreign exchange risk by transferring committed US dollar project funds in a US dollar bank account to fix the exchange rate and avoid the effects of future exchange movements. The Group manages Argentine Peso foreign exchange risk by minimising the amount of funds held in Argentine Pesos denominated bank accounts.

At the balance date there would have been an immaterial change in the post-tax operating loss for the year as a result of a 10% change in the Australian dollar to the US dollar and the Argentine Pesos. The impact to equity would be the same.

**Credit risk**

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial asset fails to meet its contractual obligations and arises principally from the Group's receivables, cash and cash equivalents and bank term deposits. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of cash and cash equivalents (Note 5), trade and other receivables (Note 6), and financial assets (Note 7).

Trade receivables are regularly reviewed. An impairment analysis is performed at each reporting date by assessing the expected credit loss of outstanding receivable balances. As at 30 June 2023, the group had provisions of \$241,340 (2022: \$118,572) for expected credit losses.

**Liquidity risk**

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.

The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group manages liquidity risk by maintaining adequate reserves and continuously monitoring forecast and actual cash flows.

Typically, the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

	Consolidated		
	< 1year \$	>1-<5 years \$	Total \$
<b>Financial Liabilities</b>			
Trade and Other Payables	879,332	-	879,332
Lease Liabilities	9,158	-	9,158
<b>Total</b>	<b>888,490</b>	<b>-</b>	<b>888,490</b>

**Fair value estimation**

The carrying value of trade receivables and trade payables are assumed to approximate their fair values due to their short term nature. The fair value of loan receivables and financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

**NOTE 19 RELATED PARTY TRANSACTIONS****Subsidiaries**

Interests in subsidiaries are disclosed in Note 16.

**Key management personnel**

Compensation for key management personnel during the year was:

	Consolidated	
	2023 \$	2022 \$
Short term employee benefits	610,130	734,994
Long-term benefits	-	57,841
Post employment benefits	39,470	34,520
Share based payments - equity settled	449,000	25,833
<b>Total</b>	<b>1,098,600</b>	<b>853,188</b>

Detailed remuneration information is disclosed in the remuneration report on pages 39-47.

**Loans to/from related parties**

There were no loans from related parties at the reporting date (2022: NIL).

**Terms and conditions**

Transactions relating to dividends and subscriptions for new ordinary shares were on the same terms and conditions that applied to other shareholders.

**NOTE 20 COMMITMENTS FOR EXPENDITURE**

	Consolidated	
	2023 \$	2022 \$
<b>Granted exploration tenement statutory expenditure commitments, payable:</b>		
Not longer than 1 year	260,000	332,500
Longer than 1 year and not longer than 5 years	935,000	775,000
Longer than 5 years	225,000	175,000
<b>Total</b>	<b>1,420,000</b>	<b>1,282,500</b>

**NOTE 21 CONTINGENT ASSETS AND LIABILITIES**

For the year ended 30 June 2023, there are no contingent assets or liabilities (2022: Nil).

**NOTE 22 SUBSEQUENT EVENTS**

On 22 August 2023 Power announced (ASX Announcement) financing of \$1.5 million via a secured convertible note provided by clients of GBA Capital to make a key acquisition of a new solar. The notes mature in 12 months and can be repaid anytime by Power with 14 days notice, or converted into shares at \$0.40 by the subscribers of the note. Other terms include an establishment fee of 4%, interest payable at 3% per month, and subscribers will be issued 1,125,000 unquoted options, at an exercise price of \$0.50, expiring on or before 31 December 2025, which are subject to shareholder approval. The convertible note is secured over assets of the Company.

GBA Capital acted as the Lead Manager and was paid a placement fee of 5% and will be issued 800,000 unquoted options, at an exercise price of \$0.50, expiring on or before 31 December 2025, which are subject to shareholder approval.

On 31 August 2023 Power announced (ASX Announcement) the completion of a strategic placement raising \$2.6 million from Fuyang Mingjin New Energy Development Co Ltd. The placement consists of 6,500,000 ordinary fully paid shares at an issue price of \$0.40 per share.

Richlink Capital Group and Lynx Advisors Pty Ltd acted as advisors to the placement and were paid a total commission of 6%, and will receive a total of 3,000,000 unquoted options, at an exercise price of \$0.75, expiring on 3 years from the date of issue, which are subject to shareholder approval.

There has been no other matter or circumstance that has arisen since 30 June 2023 that has significantly affected, or may significantly affect:

- a) the Group's operations in future financial years, or
- b) the results of those operations in future financial years, or
- c) the Group's state of affairs in future financial years.

**NOTE 23 REMUNERATION OF AUDITORS**

During the financial year the following fees were paid or payable for services provided by BDO Audit Pty Ltd, the auditor of the Company, and its network firms:

	Consolidated	
	2023 \$	2022 \$
<b>Auditor of the parent entity</b>		
<b>Audit services - BDO Audit Pty Ltd</b>		
Audit or review of the financial report	44,000	36,500
<b>Other services - network firms - BDO Advisory (SA) Pty Ltd</b>		
Income tax advisory services	11,781	-
<b>Other services - network firms - BDO Audit (WA) Pty Ltd</b>		
Remuneration review	-	23,883

## DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of Power Minerals Limited, I state that:

1. In the opinion of the Directors:
  - a. The financial statements and notes of Power Minerals Limited for the financial year ended 30 June 2023 are in accordance with the Corporations Act 2001, including:
    - i) Giving a true and fair view of the consolidated entity's financial position as at 30 June 2023 and of its performance for the year ended on that date; and
    - ii) Complying with Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.
  - b. The financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 2.
  - c. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 June 2023.

*On behalf of the Board*



*Mena Habib  
Managing Director  
Melbourne, 28 September 2023*

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# INDEPENDENT AUDITOR'S REPORT



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 Australia

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF POWER MINERALS LIMITED

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Power Minerals Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

BDO Audit Pty Ltd ABN 33 134 022 870 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation.

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#### ACCOUNTING FOR SHARE BASED PAYMENTS

##### Key audit matter

During the financial year ended 30 June 2023, the Group granted performance rights to key management personnel and other employees.

Refer to Note 13 of the financial report for a description of the accounting policy, the significant estimates and judgements applied to these arrangements and for disclosure of the arrangements.

Share-based payments are a complex accounting area and due to the complex and judgemental estimates used in determining the fair value of the share-based payments in accordance with AASB 2 Share Based Payment, we consider the Group's calculation of the share-based payments expense to be a key audit matter.

##### How the matter was addressed in our audit

Our procedures included, but were not limited to:

- Reviewing market announcements and board meeting minutes to ensure all share based payments have been recognised;
- Reviewing the relevant supporting documentation to obtain an understanding of the contractual nature and terms and conditions of the share-based payment arrangements;
- Evaluating management's methodology for calculating the fair value of the share-based payments, including assessing the valuation inputs using internal specialists where appropriate; and
- Assessing the adequacy of the related disclosures in the financial report.

#### CARRYING VALUE OF CAPITALISED EXPLORATION & EVALUATION EXPENDITURE

##### Key audit matter

The carrying value of capitalised exploration and evaluation assets as at 30 June 2023 is disclosed in Note 9 of the financial report.

The Group has adopted the accounting policy to capitalise acquisition costs relating to the acquisition of original exploration and evaluation expenditure and expense any ongoing exploration activities.

As the carrying value of exploration and evaluation assets represents a significant asset of the Group, we considered it necessary to assess whether any facts or circumstances exist to suggest that the carrying amount of this asset should be subject to impairment testing.

Judgement is applied in determining the treatment of exploration expenditure in accordance with Australian Accounting Standard AASB 6 Exploration for and Evaluation of Mineral Resources.

As a result, this is considered a key audit matter

##### How the matter was addressed in our audit

Our procedures included, but were not limited to:

- Obtaining a schedule of the areas of interest held by the Group and assessing whether the rights to tenure of those areas of interest remained current at reporting date;
- Considering the status of the ongoing exploration programmes in the respective areas of interest by holding discussions with management, and reviewing the Group's exploration budgets, ASX announcements and director's minutes;
- Considering whether any such areas of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed;
- Considering whether there are any other facts or circumstances existing to suggest impairment testing was required; and
- Assessing the adequacy of the related disclosures in the financial report.



### Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2023, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at: [https://www.auasb.gov.au/admin/file/content102/c3/ar1\\_2020.pdf](https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf)

This description forms part of our auditor's report.

### Report on the Remuneration Report

#### Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 39 to 47 of the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Power Minerals Limited, for the year ended 30 June 2023, complies with section 300A of the *Corporations Act 2001*.



**Responsibilities**

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

A handwritten signature in blue ink that reads 'BDO'.

**BDO Audit Pty Ltd**

A handwritten signature in blue ink that reads 'Paul Gosnold'.

Paul Gosnold  
Director

Adelaide, 28 September 2023

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# ASX ADDITIONAL INFORMATION

As at 31 August 2023 there were 73,216,178 fully paid ordinary shares PNN held by 3,826 individual shareholders. All issued ordinary shares carry one vote per share. There is no current on-market buy-back.

## (A) DISTRIBUTION OF EQUITY SECURITIES

	Number of holders	Number of shares
1 - 1,000	1,728	424,653
1,001 - 5,000	957	2,560,891
5,001 - 10,000	374	2,929,282
10,001 - 100,000	639	20,541,567
100,001 and over	128	46,759,785
<b>Total</b>	<b>3,826</b>	<b>73,216,178</b>
Holding less than a marketable parcel	2,035	864,267

## (B) SUBSTANTIAL SHAREHOLDERS

	Fully paid ordinary shares	
	Percentage	Number
Ordinary shareholders		
Trade Prestige Pty Ltd	5.35%	3,920,000
<b>Total</b>	<b>5.35%</b>	<b>3,920,000</b>

## (C) TWENTY LARGEST HOLDERS OF QUOTED EQUITY SECURITIES

Ordinary Shareholders	Number	Percentage
TRADE PRESTIGE PTY LTD	3,920,000	5.35%
FORTE EQUIPMENT PTY LTD	3,176,276	4.34%
MS CHUNYAN NIU	2,250,000	3.07%
SEATTLE CAPITAL PTY LTD	2,083,334	2.85%
S & N CURTAIN PTY LTD	1,510,000	2.06%
MR PETER ANDREW PROKSA	1,477,057	2.02%
MR PETER ANDREW PROKSA	1,250,000	1.71%
M & E EARTHMOVING PTY LTD	1,200,000	1.64%
T C DRAINAGE (WA) PTY LTD	1,194,964	1.63%
MR CON CARYDIAS	1,145,000	1.56%
CITICORP NOMINEES PTY LIMITED	1,054,506	1.44%
SABA NOMINEES PTY LTD	837,168	1.14%
BR1 HOLDINGS PTY LTD (ACN 147 267 114)	823,134	1.12%
MR KIERAN JOSEPH HATTON	707,000	0.97%
BNP PARIBAS NOMINEES PTY LTD	632,507	0.86%
MR JIANG YU	629,000	0.86%
UBS NOMINEES PTY LTD	560,038	0.76%
MR CONSTANTINE SPILIOPOULOS	525,272	0.72%
KALINDA OUTLOOK PTY LTD	504,904	0.69%
MR ROBERT CAMERON GALBRAITH	500,000	0.68%
<b>Total</b>	<b>25,980,160</b>	<b>35.48%</b>



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