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HALF YEAR REPORT

Financial Report for the half year ended
31 December 2023

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Directors' Report

The Directors of Power Minerals Limited (Power or the Company) present their report together with the consolidated financial report, on the Company and its subsidiaries (the Group) for the half year ended 31 December 2023.

Directors

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

- Stephen Ross
- Mena Habib
- James Moses
- David Turvey (resigned 30 November 2023)

Review of Operations

Power has a portfolio of strategically located exploration projects in key, demand driven commodities including; the Salta Lithium Project in the lithium triangle in Argentina, the Musgrave Nickel-Copper-Cobalt-PGE Project in northern South Australia, the Eyre Peninsula Kaolin-Halloysite-REE Project on the Eyre Peninsula in South Australia and the Santa Ines Copper-Gold Project in Argentina.

Power made substantive, material progress during the half-year, with an ongoing core focus on the Salta Lithium Project. The Company is focused on developing the Salta Project into a significant lithium producing operation, and delivering shareholder value.

The Musgrave Project is an asset of substantial potential value, and Power progressed its plans to secure an Exploration Deed with the Anangu Pitjantjatjara Yankunytjatjara (APY) traditional owners, which would pave the way for commencement of on-ground exploration at the priority Pink Slipper target.

Salta Lithium Brine Project, Argentina

The Salta Lithium Brine Project, 100% owned by Power, is located in the Salta province in northwest Argentina and is part of the Lithium Triangle, the world's leading lithium brine region. The project consists of five salares (salt lakes) that sit within seven mining leases, covering a total area of 147.07 km².

During the period, Power reported a major lithium brine JORC Mineral Resource increase at the Salta Project to 714,872 tonnes Lithium Carbonate equivalent (LCE). The expanded Mineral Resource came after Power completed a Resource drilling program at the priority Rincon salar, which delivered a significant Mineral Resource upgrade at Rincon and the Salta Project's global Mineral Resource.

The upgraded Mineral Resource at the Rincon salar is as follows:

- **292,564 tonnes of LCE, including:**
 - **Measured + Indicated Resource of 157,131 tonnes of LCE at 258 mg/L Li; and**
 - **Inferred Resource of 135,433 tonnes of LCE at 276 mg/L Li.**

The new Rincon Mineral Resource consists of a high proportion (54%) of Mineral Resource in the Measured + Indicated categories. **It also delivered significant scale and scope to the Project's global Mineral Resource, which increased by 68% to 714,872 tonnes LCE**, marking the Salta Project as a district-scale project in a pre-eminent global lithium precinct.

The Mineral Resource estimate was prepared in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2012 Edition (JORC Code). Full details on the Mineral Resource upgrade are provided in ASX announcement of 2 November 2023.

Power also reported the results of a Preliminary Economic Assessment (PEA) for the Rincon salar. The PEA results provided initial formal confirmation of the Rincon salar's potential to become a significant long-life supplier of high purity, battery-grade lithium carbonate equivalent (LCE), producing 7,061 tonnes of LCE per annum over an initial project life of 14 years.

The PEA forecast a pre-tax NPV of US\$501.85 million, with payback period of 3 years, and pre-tax IRR of 42%.

The PEA assessed production and life-of-mine profile, along with engineering and process costs, plus capital costs and operating costs for a potential high-quality LCE producing operation at Rincon.

Key outcomes and further details on the PEA (including a detailed summary of the PEA) are provided in ASX announcement of 27 November 2023.

With the PEA completed and delivering positive results, global lithium supply chain group Xiamen Xiangyu New Energy Co., Ltd (Xiamen Xiangyu) advanced its non-binding Memorandum of Understanding (MoU) with Power. Under the MoU, both parties are conducting due diligence with a view to executing binding funding, logistics and offtake agreements for the Rincon salar.

Based on the successful outcomes of the PEA, the parties agreed to move to the next stage of the MoU, with a view to executing binding agreements in respect of funding, logistics and offtake for the Rincon salar. Under this next stage, Xiamen Xiangyu provided Rincon brines to a commercial battery manufacturer for qualification testing at its facility in China. This independent testing will assist future funding and offtake negotiations in respect of the Rincon salar.

The Company executed a Binding Term Sheet (BTS) with Canadian DLE technology provider Summit Nanotech Corporation (BN 753314913) (Summit) for the funding and development of the Incahuasi salar at Power's Salta Project during the half-year.

The BTS was first announced in August 2023, and was executed after due diligence was completed and the parties agreed updated terms to the BTS. The BTS summarises the principal commercial terms for an Option and Joint Venture Agreement (the "PNNJV"), Power and Summit propose to enter for the funding and development of the Incahuasi salar. The terms and conditions of the PNNJV will be consistent with those set down in the BTS, and will be confirmed in a Definitive Option Agreement.

With the BTS executed, Power and Summit will establish a Technical Committee to provide management and technical oversight to help ensure the successful completion of the First Option obligations.

Also during the half-year, Power received the first tranche of Summit's strategic investment – an amount of AUD\$3.125 million (US\$2 million).

The PNNJV is contemplated in two stages – First Option and Second Option. Further details on the BTS and PNNJV are provided in ASX announcements of 14 August 2023 and 27 December 2023.

Musgrave Nickel-Copper-Cobalt Project, South Australia

The Musgrave Project comprises two granted Exploration Licences and eight Exploration Licence Applications (ELAs) held, and four ELA's under farm-in, by wholly-owned Power subsidiary, NiCul Minerals Ltd. The Project covers in total 14,618km² within the Anangu Pitjantjatjara Yankunytjatjara (APY) Lands, in the Musgrave Province of north-west South Australia.

The priority target at the Project is the Pink Slipper geophysical anomaly, 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.

A preliminary heritage survey was successfully completed at the Pink Slipper target during the period by an APY anthropologist and 14 members of the Traditional Owners. It was designed to confirm that Power's planned exploration target areas at the Pink Slipper do not encroach on any culturally sensitive areas within the APY Lands.

The preliminary heritage survey represented an important step in Power's planned pathway for its proposed on-ground exploration of the Pink Slipper target. Subject to securing a Deed of Exploration and the granting of an Exploration Licence, Power plans to conduct targeted exploration drilling at its priority targets on the Pink Slipper.

The drill plans will be flexible and adaptive to ensure that there is no disturbance to cultural sites or areas, while achieving the Company's goal of testing what is assessed as a strong electromagnetic (EM) conductivity anomaly that may represent base metal sulphide mineralisation. The location of the proposed drillhole collar sites will be subject to complete approval from the Traditional Owners. Power believes creating a drilling program that respects cultural sensitivities is critical to forging and continuing a strong working relationship with the APY Lands' communities.

In addition, during the half-year, the Company reported the definition of new stratigraphic target areas for exploration within the large, sulphide hosting Mt Caroline intrusion at the Musgrave Project. These targets were generated from a detailed study of the Mt Caroline intrusion completed earlier in the year, and present an exciting target model for future exploration programs. The Mt Caroline Giles Complex mafic/ultramafic intrusion sits within the 100% Power-owned granted EL6148 at the Musgrave Project, and is one of the key targets within the Project.

Eyre Peninsula Kaolin-Halloysite-REE Project, South Australia

The Eyre Peninsula Project consists of four granted Exploration Licences (EL6677, EL6681, EL6689 and EL6961) covering a total area of 1,860km². It is strategically located adjacent to Andromeda Metals' (ASX: ADN) Kaolin-Halloysite projects on the western side of the Eyre Peninsula.

The Company announced plans to pursue the uranium potential of the Eyre Peninsula Project during the half year, and expanded its uranium exploration footprint at the Project via the grant of a new exploration licence, the Whichelby licence (EL6961). The new licence is strategically located adjacent to the existing Cungenia licence (EL6681), and covers a large portion of the palaeo-drainage that flows west, towards the coastline from the divide with the Yaninee palaeo-drainage. The Yaninee palaeo-drainage contains the Yaninee uranium occurrence which has previously been drill tested by Minotaur Exploration.

Drilling approval is in place for EL6681, located adjacent to EL6961. Power plans to seek approvals for drilling within the new licence area, with first-pass drilling planned upon grant of all requisite approvals.

Power also reported high-grade rare earth element (REE) results from its latest phase of drilling at the Eyre Peninsula Project in the period, with one 1-metre sample (PR-105) containing 7,495ppm total rare earth oxides (TREO); 2,460ppm (or 32.8%) of the TREO is heavy rare earth oxides (HREO).

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 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.

Further details are provided in ASX announcement of 5 September 2023.

Santa Ines Copper-Gold Project, Argentina

The Santa Ines Project consists of four mining leases covering 61.4km², in north-western Argentina.

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 in the previous half-year. The divestment of the Santa Ines Project is consistent with the Company's commitment to, and focus on, the development of its core assets, and the sale proceeds are intended to be deployed in the advancement of these core assets.

Mingjin has successfully completed its due diligence process, and regulatory steps in China required to complete the transaction are currently being finalised.

Results of Operations

The loss for the consolidated entity for the 6 months to 31 December 2023, after providing for income tax, amounted to \$2,487,949 (31 December 2022: \$806,038).

Dividends

No dividends have been paid, recommended or declared during the current or previous reporting periods.

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

Changes in capital structure

On 31 August 2023 the Company announced (ASX Announcement) a strategic investment via a placement raising \$2.6 million from Fuyang Mingjin New Energy Co, Ltd. The investment consists of 6,500,000 ordinary fully paid shares at an issue price of \$0.40 per share. The shares were issued on 4 September 2023 (ASX Announcement).

On 31 October 2023 the Company announced (ASX Announcement) a strategic investment via a placement raising \$3.125 million from Summit Nanotech Corporation. The investment consists of 6,250,000 ordinary fully paid shares at an issue price of \$0.50 per share. The shares were issued on 3 November 2023 (ASX Announcement).

On 7 November 2023 the Company announced (ASX Announcement) the issue of shares to Spark Plus Pte Ltd. The share issue consists of 200,000 shares at an issue price of \$0.25 per share and were in consideration for services provided.

During the half year 115,721 options were exercised which raised \$37,090.

During the half year 1,000,000 performance rights were exercised by the Directors and 176,097 Staff performance rights were exercised. This was reflected as a transfer from share based payments reserve at a value of \$318,080.

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

Matters subsequent to the end of the financial year are disclosed in Note 15 to the financial statements.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is included on page 5 of the half-year financial report and forms part of this Directors' Report.

Resolution of Directors

Signed in accordance with a resolution of Directors pursuant to section 306(3) of the *Corporations Act 2001*.

On behalf of the Directors



Mena Habib
Managing Director
14 March 2024

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Auditor's independence declaration



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

As lead auditor for the review of Power Minerals Limited for the half-year ended 31 December 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 review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

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

A handwritten signature in blue ink that reads 'Paul Gosnold'. The signature is written in a cursive style with a large initial 'P'.

Paul Gosnold
Director

BDO Audit Pty Ltd

Adelaide, 14 March 2024

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**Consolidated statement of profit or loss and other comprehensive income
for the half year ended 31 December 2023**

	Note	Consolidated	
		31 December 2023 \$	31 December 2022 \$
Revenue from Continuing Operations	3	150,454	28,236
Other Income	3	1,020,919	487,084
Foreign currency gain/(loss)	3	(667,649)	(140,001)
Expenses			
Depreciation and amortisation		(15,577)	(14,154)
Employment and contractor costs		(455,322)	(322,135)
Investor relations		(112,555)	(37,022)
Compliance and regulatory expenses		(216,065)	(115,841)
Consulting fees		(49,644)	(53,280)
Finance costs		(135,000)	-
Operating expenses		(220,374)	(176,744)
Share based payments expense		(1,279,741)	(224,500)
Legal Fees		(377,345)	(110,561)
Interest expense		(91,050)	(2,258)
Impairment for credit losses		-	(35,193)
Total expenses		(2,952,673)	(1,091,688)
Loss before tax		(2,448,949)	(716,369)
Income tax benefit/(expense)		(39,000)	(89,669)
Loss for the half year		(2,487,949)	(806,038)
Other comprehensive income			
<i>Items that may be reclassified to profit or loss</i>			
Foreign currency translation	12	(302,550)	35,957
Total other comprehensive income		(302,550)	35,957
Total comprehensive Loss for the half year		(2,790,499)	(770,081)
Attributable to:			
Members of Power Minerals Limited		(2,790,499)	(770,081)
		(2,790,499)	(770,081)
Earnings per share for loss attributable to the ordinary equity holders of the company:			
Basic loss (cents per share)		(3.1)	(1.2)
Diluted loss (cents per share)		(3.1)	(1.2)

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 31 December 2023

	Note	Consolidated	
		31 December 2023	30 June 2023
		\$	\$
Current assets			
Cash and cash equivalents	4	1,992,087	2,372,682
Trade and other receivables	5	171,791	191,182
Financial assets	6	1,049,381	1,130,000
Held for sale asset	7	1,410,000	1,410,000
Total current assets		4,623,259	5,103,864
Non-current assets			
Trade and other receivables	5	70,759	257,779
Exploration and evaluation expenditure	8	30,275,701	26,014,126
Right of Use asset		47,765	8,885
Property, plant and equipment		99,759	89,493
Total non-current assets		30,493,984	26,370,283
Total assets		35,117,243	31,474,147
Current liabilities			
Trade and other payables		319,446	879,332
Lease liabilities		48,225	9,158
Employee benefits		150,560	124,882
Total current liabilities		518,231	1,013,372
Non-Current liabilities			
Employee benefits		11,380	7,475
Total non-current liabilities		11,380	7,475
Total liabilities		529,611	1,020,847
Net assets		34,587,632	30,453,300
Equity			
Issued capital	11	51,610,150	45,926,980
Reserves	12	3,578,739	3,283,246
Retained earnings		(20,601,257)	(18,756,926)
Total equity attributable to equity holders of the Company		34,587,632	30,453,300

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

Consolidated statement of changes in equity for the half year ended 31 December 2023

Consolidated	Issued Capital \$	Reserves \$	Retained Earnings \$	Total Equity \$
Balance at 1 July 2023	45,926,980	3,283,246	(18,756,926)	30,453,300
Profit / (Loss) after income tax expense	-	-	(2,487,949)	(2,487,949)
Other comprehensive income, net of tax	-	(302,550)	-	(302,550)
Total comprehensive (loss)/income	-	(302,550)	(2,487,949)	(2,790,499)
Issue of shares, net of transaction costs and tax	5,365,090	-	-	5,365,090
Share based payments	-	1,559,741	-	1,559,741
Transfer from reserves	318,080	(961,698)	643,618	-
Balance at 31 December 2023	51,610,150	3,578,739	(20,601,257)	34,587,632

Consolidated	Issued Capital \$	Reserves \$	Retained Earnings \$	Total Equity \$
Balance at 1 July 2022	40,951,692	2,695,146	(16,489,601)	27,157,237
Profit / (Loss) after income tax expense	-	-	(806,038)	(806,038)
Other comprehensive income, net of tax	-	35,957	-	35,957
Total comprehensive (loss)/income	-	35,957	(806,038)	(770,081)
Issue of shares, net of transaction costs and tax	5,294,997	-	-	5,294,997
Share based payments	(672,000)	896,500	-	224,500
Balance at 31 December 2022	45,574,689	3,627,603	(17,295,639)	31,906,653

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

Consolidated statement of cash flows
for the half year ended 31 December 2023

Note	Consolidated	
	31 December 2023 \$	31 December 2022 \$
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	59,315	8,688
Payments to suppliers and employees (inclusive of GST)	(1,721,674)	(970,679)
Net cash from operating activities	(1,662,359)	(961,991)
Cash flows from investing activities		
Interest received	32,373	10,287
Receipts from blue chip swap transactions	1,020,919	487,084
Payments for exploration and evaluation activities	(5,387,927)	(1,838,476)
Payments for property, plant and equipment	(27,153)	(2,426)
Repayment of loan to other entity	150,000	-
Net cash from investing activities	(4,211,788)	(1,343,531)
Cash flows from financing activities		
Proceeds from issues of equity securities	5,762,090	5,564,002
Costs of issuing shares	(156,000)	(358,674)
Proceeds from borrowings	1,500,000	-
Repayment of borrowings	(1,500,000)	-
Interest paid	(90,000)	-
Repayment of lease liabilities	(13,040)	(11,065)
Net cash from financing activities	5,503,050	5,194,263
Net increase / (decrease) in cash and cash equivalents	(371,097)	2,888,742
Cash and cash equivalents at the beginning of the reporting period	2,372,682	3,588,298
Effects of exchange rate changes on cash and cash equivalents	(9,498)	50
Cash and cash equivalents at the end of the end of the reporting period	1,992,087	6,477,090

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

Notes to the Consolidated Financial Statements for the half year ended 31 December 2023

Basis of Preparation

Note 1 Reporting Entity

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”).

The Company’s registered office and its principal place of business is Level 1, 6/68 North Terrace KENT TOWN SA 5067. Power Minerals Limited was incorporated in Australia and is domiciled in Australia.

Note 2 Basis of preparation

i Statement of Compliance

The half year financial report for the six months ended 31 December 2023 is a general-purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 Interim Financial Reporting (AASB 134). Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 Interim Financial Reporting.

The half year financial report is intended to provide users with an update on the latest annual financial statements of the Group and as such they do not include full disclosures of the type normally included in the annual report. It is recommended that they be read in conjunction with the 2023 Annual Report and any public announcements made by Power during the half year reporting period in accordance with the continuous disclosure requirements of the ASX Listing Rules.

ii Significant Accounting Policies

The half year financial report has been prepared in accordance with the accounting policies adopted in the 2023 Annual Report and have been consistently applied by the entities in the Group except for those that have arisen as a result of new standards, amendments to standards and interpretations effective from 1 July 2023. The Group has adopted all of the new and revised standards and interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to their operations and effective for the current half year. These have not had a significant or immediate impact on the Group’s half year financial report.

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.

iii Critical accounting estimates

The preparation of the half year financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this half year financial report, the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial report as at and for the year ended 30 June 2023.

iv Going concern

The financial statements have been prepared on the basis that the entity is a going concern, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business.

For the period ended 31 December 2023 the entity recorded a loss after tax of \$2,487,949 and had net cash outflows from operating activities of \$1,599,650, while cash and cash equivalents amounted to \$1,992,087. The Group’s ability to finance planned exploration and ongoing capital projects is reliant on third party funding sources. The uncertainty of obtaining said financing indicates the existence of a material uncertainty that may cast significant doubt about the entity’s ability to continue as a going concern and realise its assets and discharge its liabilities in the normal course of business.

While no assurances can be given about the future ability to source finance for the Group’s activities, the Directors believe, given the quality of the Group’s assets, that the Group can, if required, fund future activities through a combination of existing cash and future capital raises to meet its obligations as and when they fall due, and has therefore prepared the financial report on a going concern basis. Management believes there are sufficient funds to meet the entity’s working capital requirements as at the date of this report.

The Business Performance

Note 3 Revenue and other income

The Group's revenue for the half year is as follows:

	Consolidated	
	Half year ended 31 December 2023 \$	Half year ended 31 December 2022 \$
Revenue from continuing operations		
Interest	101,754	19,536
Revenue from customers	48,700	8,700
Total	150,454	28,236
Other income		
Gain on blue chip swap transactions	1,020,919	487,084
Total	1,020,919	487,084
Foreign currency gain/(loss)		
Foreign currency gain/(loss) on exchange movements	(667,649)	(140,001)
Total	(667,649)	(140,001)

Note 4 Cash

	Consolidated	
	Half year ended 31 December 2023 \$	Year ended 30 June 2023 \$
Cash and cash equivalent		
Cash on hand	1,304	1,688
Cash at bank	1,990,783	2,370,994
Balance at end of period	1,992,087	2,372,682

Note 5 Trade and other receivables

	Consolidated	
	Half year ended 31 December 2023 \$	Year ended 30 June 2023 \$
Current – Trade and other receivables		
Trade and other receivables	114,067	222,824
Prepayments	57,724	9,203
Less: expected credit losses	-	(40,845)
Total	171,791	191,182
Non-current – Trade and other receivables		
Trade and other receivables	306,357	458,274
Less: expected credit losses	(235,598)	(200,495)
Total	70,759	257,779

Of the total trade and other receivables balance, \$114,067 is expected to mature in less than 12 months.

The group has a total of \$121,351 (30 June 2023: \$204,206) Value Added Tax (VAT) recoveries due from the Argentina Revenue Authority. In December 2023 the Argentina Government significantly devalued the official Argentina Peso to US Dollar exchange rate, and an exchange loss of \$628,864 was recognised for the devaluation of VAT receivable during the half year.

Note 6 Financial asset

Current – Financial assets

	Consolidated	
	Half year ended 31 December 2023 \$	Year ended 30 June 2023 \$
Loan receivables	1,049,381	1,130,000
Total	1,049,381	1,130,000

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 7 Held for sale assets

	Consolidated	
	Half year ended 31 December 2023 \$	Year ended 30 June 2023 \$
Balance at beginning of period	1,410,000	-
Held for sale assets	-	1,410,000
Balance at end of period	1,410,000	1,410,000

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 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 was reclassified from exploration and evaluation assets to held for sale asset during the year ended 30 June 2023. 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 was recognised in the profit or loss during the year ended 30 June 2023.

Note 8 Exploration and evaluation expenditure

	Consolidated	
	Half year ended 31 December 2023 \$	Year ended 30 June 2023 \$
Movements in exploration and evaluation asset		
Balance at beginning of period	26,014,126	23,522,356
Additions	4,445,022	5,158,753
Transfer to held for sale asset	-	(1,410,000)
Foreign currency movement	(183,447)	204,501
Impairment	-	(1,461,484)
Balance at end of period	30,275,701	26,014,126

Note 9 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

Australia
Argentina
Total

Consolidated	
Half year ended 31 December 2023 \$	Year ended 30 June 2023 \$
16,905,753	16,337,138
13,369,948	9,676,988
30,275,701	26,014,126

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Capital

Note 10 Dividends

No dividends have been paid for the half year ended 31 December 2023 or the year ended 30 June 2023.

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

Note 11 Issued Capital

Fully paid ordinary shares and fully paid options	6 months to 31 December 2023		12 months to 30 June 2023	
	No.	\$	No.	\$
Balance at beginning of the reporting period	73,134,283	45,926,980	61,516,865	40,951,692
Issue of shares	12,950,000	5,775,000	10,663,463	5,545,001
Issue of shares on the exercise of options	115,721	37,090	953,955	241,366
Transfer from reserves	1,176,097	318,080	-	129,927
Share issue costs	-	(486,000)	-	(1,030,675)
Tax effect on issue costs	-	39,000	-	89,669
Balance at end of the reporting period	87,376,101	51,610,150	73,134,283	45,926,980

On 31 August 2023 the Company announced (ASX Announcement) a strategic investment via a placement raising \$2.6 million from Fuyang Mingjin New Energy Co, Ltd. The investment consists of 6,500,000 ordinary fully paid shares at an issue price of \$0.40 per share. The shares were issued on 4 September 2023 (ASX Announcement).

On 31 October 2023 the Company announced (ASX Announcement) a strategic investment via a placement raising \$3.125 million from Summit Nanotech Corporation. The investment consists of 6,250,000 ordinary fully paid shares at an issue price of \$0.50 per share. The shares were issued on 3 November 2023 (ASX Announcement).

On 7 November 2023 the Company announced (ASX Announcement) the issue of shares to Spark Plus Pte Ltd. The share issue consists of 200,000 shares at an issue price of \$0.25 per share and were in consideration for services provided.

During the half year 115,721 options were exercised which raised \$37,090.

During the half year 1,176,097 performance rights were exercised by directors and staff with a fair value of \$318,080 which was transferred from share based payments reserve.

Note 12 Reserves

Movements in reserves

Consolidated	Share based payments reserve	Foreign currency translation reserve	Total reserves
	\$	\$	\$
Balance at 1 July 2023	2,729,586	553,660	3,283,246
Translation of foreign operations	-	(302,550)	(302,550)
Total comprehensive (loss)/income	-	(302,550)	(302,550)
Transfer to issued capital	(318,080)	-	(318,080)
Transfer to retained earnings	(643,618)	-	(643,618)
Share based payments	1,559,741	-	1,559,741
Balance at 31 December 2023	3,327,629	251,110	3,578,739

Consolidated	Share-based payments reserve \$	Foreign currency translation reserve \$	Total reserves \$
Balance at 1 July 2022	1,728,826	346,043	2,695,146
Translation of foreign operations	-	35,957	35,957
Total comprehensive (loss)/income	-	35,957	35,957
Transfer to issued capital	-	-	-
Transfer to retained earnings	-	-	-
Share based payments	672,000	-	672,000
Balance at 31 December 2022	2,400,826	382,000	3,627,603

The Company entered into an agreement with Nicholas Lindsay for the provision of strategic and technical advice in January 2023. This included the issue of 300,000 options, at an exercise price of \$1.04, expiring on or before 31 December 2024, with a fair value of \$3,300, and the issue of 300,000 options, at an exercise price of \$0.76, expiring on or before 31 December 2024, with a fair value of \$6,300. The options were subject to shareholder approval and the grant date is 26 October 2023.

The Company entered into an agreement with Richlink Capital Group and Lynx Advisors for the facilitation of the Fuyang Mingjin New Energy Co, Ltd share placement. This included the issue of 3,000,000 options, at an exercise price of \$0.75, expiring on or before 31 December 2026, with a fair value of \$330,000. The options were subject to shareholder approval and the grant date is 26 October 2023.

The Company entered into agreements with GBA Capital to act as lead manager for the provision of a convertible note, and with sophisticated and professional subscribers to provide a \$1.5M secured convertible note. This included the issue of 1,125,000 options to subscribers and 800,000 options to GBA capital, at an exercise price of \$0.50, expiring on or before 31 December 2025, with a combined fair value of \$292,600. The grant date of these options is 18 August 2023.

The Company granted 5,000,000 performance rights to directors which were approved by shareholders on 26 October 2023. The performance rights have a \$0 exercise price and expire on 8 June 2027, and vest upon the achievement of price and milestone performance conditions. The total fair value of the rights is \$1,108,648 which will be recognised over the expected vesting period, and \$643,129 has been recognised during the half year. The fair value of performance rights granted to directors, employees and contractors in previous years recognised during the half year is \$284,452. During the half year a performance milestone was achieved and 1,176,097 performance rights were exercised, with a fair value of \$318,080 which was transferred to issued capital.

During the half year 2,933,671 share based payments options lapsed with a fair value of \$643,618 which was transferred to retained earnings.

Other Information

Note 13 Related party information

There were no significant related party transactions during the half year ended 31 December 2023 other than already disclosed in this report.

Note 14 Contingent liabilities and contingent assets

There have been no changes in contingent liabilities and contingent assets since 30 June 2023.

Note 15 Subsequent events

On 25 January 2024 the Company announced (ASX Announcement) that it secured a \$1 million funding facility to support its near-term project-advancing activities and working capital requirements, by way of loan from the Company's managing director Mena Habib. The loan is unsecured, repayable within 6 months from date of inception, and interest is payable at a rate of 5% per annum. \$400,000 of this loan was drawn down at the date of this report.

There has not been in the period since 31 December 2023 and up to the date of this report any other item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect substantially the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

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Directors' declaration

In the Directors' opinion:

- The half year financial report and notes set out on pages 10-16 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 31 December 2023 and of its performance for the half year ended on that date; and
 - ii Complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.
- There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of Directors.



Mena Habib
Managing Director
Melbourne, 14 March 2024

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Independent auditor's review report



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

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Power Minerals Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 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 half-year ended on that date, material accounting policy information and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2023 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of 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 the audit of the annual 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 the same terms if given to the directors as at the time of this auditor's review report.

Materiality uncertainty relating to going concern

We draw attention to Note 2(iv) in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

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Responsibility of the directors for the financial report

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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, 15 March 2024

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