

ASX ANNOUNCEMENT

26 February 2025

Strategic Expansion of Rincon Lithium Project Joint Venture

Highlights

- Power signs a Binding Memorandum of Understanding (MOU) for the strategic expansion of the Rincon Lithium Project Joint Venture at its Salta Lithium Project in northern Argentina
- Under the MOU, Power and, partners Navigate Energy and Legendary Star, have renegotiated the Rincon JV and Convertible Loan Agreement (CLA) terms as follows:
 - Of the US\$4M funding to be paid to the Rincon JV by Navigate Energy, the Rincon JV will use US\$1.4M to acquire Power's Pocitos Project
 - The Rincon JV will use US\$1M to repay Legendary Star and terminate the CLA
 - Power will receive US\$400,000 as consideration for the Pocitos Project sale
 - Remaining capital investment funds (~US\$2.6M) from Navigate Energy will be applied to Rincon JV project development
- Pocitos Project is 30km south of the Rincon Project and is a prime location for a planned lithium carbonate production hub for the Rincon JV
- Pocitos has strong existing infrastructure, including rail networks to Pacific and Atlantic ports, power, and a freshwater source
- Navigate Energy's US\$4M funding to the Rincon JV is subject to Overseas Direct Investment (ODI) approval from Chinese government authorities, which must be secured by 31 March 2025
- Power has also agreed to revised terms to divest its non-core Santa Ines Copper-Gold Project for A\$500,000, with completion on 28 March 2025

Power Minerals Limited (ASX: **PNN**, **Power** or **the Company**) is pleased to announce it has signed a Binding Memorandum of Understanding (**MOU**) to expand the Rincon Lithium Project Joint Venture (**Rincon JV**) at its Salta Lithium Project in the lithium triangle of northern Argentina.

Power executed a Joint Venture Agreement (**JVA**) for the development of the Rincon Project (ASX announcement 2 September 2024) and has agreed revised terms for the JVA via the MOU, which will see Power's Pocitos Lithium Project acquired by the Rincon JV. The Pocitos Project is strategically located

30km south of the Rincon Project and hosts key infrastructure required for the development of a lithium carbonate production and operations hub for the Rincon JV.

Rincon is Power's most advanced asset within its wider Salta Lithium Project. The ability to process lithium from the Rincon Project at the proposed nearby Pocitos production hub, which has connecting transport infrastructure, will provide significant benefit to the Rincon JV.

Binding MOU terms

The original transaction terms provided for the creation of an incorporated joint venture and the transfer of the Rincon mining properties into an Argentinian SPV entity, in return for a US\$4 million capital contribution to the Rincon JV from Chinese entity Navigate Energy Technology Limited (**Navigate Energy**).

The parties also entered into a Convertible Loan Agreement (**CLA**) for a US\$1 million equity investment into Power, provided by Legendary Star Investment Asia Pte. Ltd. (**Legendary Star**).

The MOU terms provide for the tailored application of the US\$4 million capital contribution to repay and terminate the equity investment obligations and to incorporate the acquisition of the Pocitos Project into the Rincon JV. The key renegotiated terms under the MOU are:

1. Power's Pocitos Project will be acquired by the Rincon JV for US\$1.4 million, funded from the US\$4 million capital contribution by Navigate Energy to the Rincon JV.
2. The US\$1.4 million will then be used by the Rincon JV to repay Legendary Star US\$1 million under the CLA (with interest on the CLA up until repayment to Legendary Star to be deducted from the US\$1.4 million).
3. The residual amount from the Pocitos Project acquisition funds (US\$1 million plus interest) will be remitted to Power.

After entering the MOU, the MOU terms replace and terminate the CLA.

Completion of the transaction, including transfer of the Pocitos Project into the Rincon JV, is to occur following overseas direct investment (ODI) approval from Chinese government authorities for the US\$4 million capital investment (to be secured by 31 March 2025), and the incorporation of the Rincon JV entity in Argentina.

Pocitos Project – Infrastructure advantages

Power's Pocitos Project (the **Project**) comprises 6,791 hectares in the Pocitos salar. In addition to its lithium potential, the Project's location offers exceptional infrastructure potential and is seen as an ideal strategic location for the development of a planned lithium carbonate production hub.

The Project area hosts access to railway network, providing direct links to ports on both the Pacific and Atlantic coasts. It is also situated proximal to natural gas, electricity and large-scale solar power. The Project area is also a potential significant source of freshwater, which is a critical input for a lithium extraction and production operation. See Figure 1 for an overview of Pocitos infrastructure.

The Salta province offers a favourable legal and regulatory framework for the mining sector, and the Pocitos area also has supportive local communities.

In addition to existing infrastructure, there are ongoing infrastructure improvements in the Pocitos area, including roads, a new high-voltage electricity line and an industrial park at Pocitos.

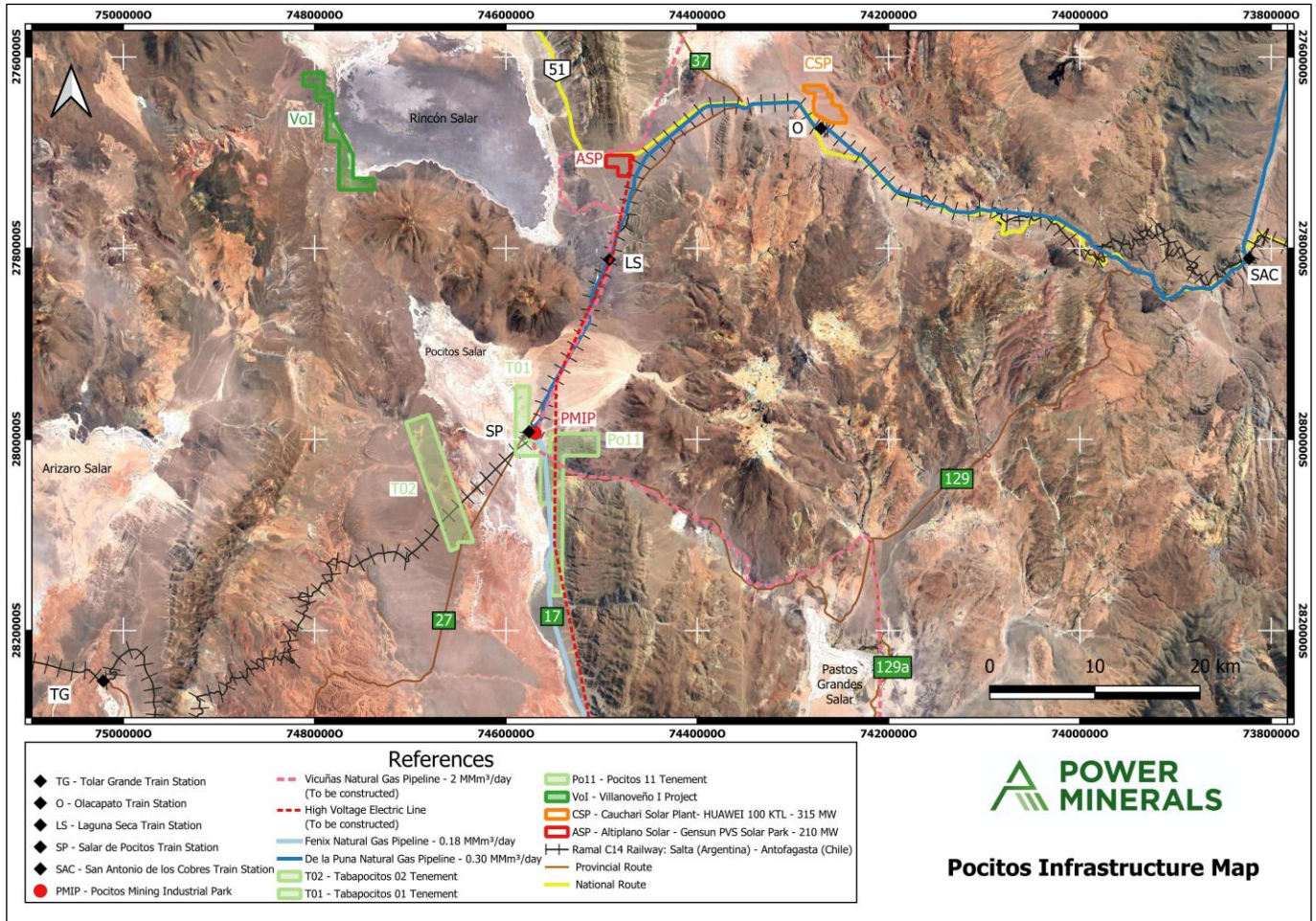


Figure 1: Power's Pocitos Project area with key infrastructure also shown.

Divestment of Santa Ines Copper-Gold Project

Power is also pleased to provide an update on the divestment of its Santa Ines Copper-Gold Project in Salta province, Argentina. Completion of the sale is now confirmed for 28 March 2025 for a renegotiated all-cash sale consideration of A\$500,000.

Power originally entered into an agreement with Fuyang Mingjin New Energy Development Co. Ltd. (**Fuyang Mingjin**) for the sale of the Santa Ines Project for an all-cash consideration of AUD\$1.5 million in May 2023 (ASX announcement 16 May 2023).

Completion of the acquisition was subject to Fuyang Mingjin obtaining overseas direct investment (**ODI**) approval from Chinese government authorities. Fuyang Mingjin was unable to secure the ODI approval, and as such, the acquisition could not be completed via the acquisition consideration being paid from a Chinese entity.

The parties have renegotiated the acquisition agreement such that Common Destiny Investments Inc, a Malaysian subsidiary entity, will now become the acquisition party. In addition, given the changes in market conditions since the original 2023 acquisition agreement, Power and Fuyang Mingjin have agreed to amend the acquisition consideration to AUD\$500,000 and to set a firm completion date of 28 March 2025.

“Power’s renegotiation of the Rincon JV, as outlined in the memorandum of understanding with Navigate Energy, has materially advanced the Rincon JV project through the strategic acquisition and incorporation of our Pocitos Project. The infrastructure attributes of the Pocitos Project provide an ideal location for a proposed future lithium producing and operations hub for the Rincon JV.

Power is also pleased to agreed on completion arrangements with Fuyang Mingjin to finalise the sale of the Santa Ines Project. This ensures a streamlined transaction process and a clear path forward for both parties, and we are pleased to deliver value from this non-core project.”

Mena Habib, Managing Director of Power Minerals Limited

Authorised for release by the Board of Power Minerals Limited.

- Ends -

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ABOUT POWER MINERALS LIMITED

Power Minerals Limited is an ASX-listed exploration and development company. We are committed to the development of our lithium assets in Argentina into significant lithium producing operations, the exploration of our prospective niobium assets in Brazil and delivering value from our non-core Australian assets.