

ASX RELEASE

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ASX CODE

PNN

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BOARD**Stephen Ross**

Non-Executive Chairman

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James Moses

Non-Executive Director

PROJECTS**Argentina**

Salta Lithium Project

BrazilLítio Niobium-Tantalum-REE
Project**Australia**Eyre Peninsula Kaolin-Halloysite-
REE ProjectMusgrave Nickel-Copper-Cobalt-
PGE Project

West Arunta Nb-REE Project

Power to appoint receiver over Ultra Lithium debt

Power Minerals Limited (ASX: **PNN**, **Power** or **the Company**) advises that it is commencing the process to appoint a receiver to Ultra Lithium Inc. (TSXV: ULT) (**Ultra Lithium**) to recover the full amounts outstanding under a convertible loan agreement (**CLA**) between the two companies (original CLA ASX announcement 16 May 2023).

Power has appointed Hall Chadwick in Western Australia as a key advisor to manage the debt recovery process. Hall Chadwick will assist with engaging Canadian-based insolvency firms to appoint a receiver to Ultra Lithium and recover the debt. When appointed, the receiver may exercise Power's CLA rights to either enforce the securities interests by sale of Ultra Lithium's assets or convert the debt into Ultra Lithium shares.

Power remains open to a settlement of the amounts outstanding under the CLA prior to the receivership process commencing. Power also remains committed to ensuring that its rights under the CLA and the associated securities interests are maintained and enforced.

Background

Power Minerals and Ultra Lithium entered into a binding term sheet on 11 May 2023 (**BTS**) which contemplated the entry into the CLA. Power attempted to complete the BTS transaction, however as per PNN ASX announcement dated 19 July 2023, Power confirmed that it had identified key matters of concern, which, in conjunction with Ultra Lithium's lack of substantive engagement in respect of the BTS transaction, had caused serious concerns as to whether the BTS transaction would complete.

Under the CLA, Power advanced an interest-bearing loan of AUD \$1.13 million to Ultra Lithium on 12 May 2023. The loan, together with accrued interest, was repayable on demand by Power by the issue of shares in Ultra Lithium Inc. or in cash at any time after 30 June 2024. On 25 October 2023, Power received a part payment of AUD \$150,000 under the CLA.

The balance of the loan amount plus accruing interest has continued to remain unpaid. As such, Power recently initiated steps to secure the full repayment of the amounts outstanding under the CLA.

On 1 July 2024, Power issued a **Cash Notice** to Ultra Lithium under the CLA demanding that Ultra Lithium repay the full amount due as at 30 June 2024, being AUD \$1,098,246, within 10 business days of receipt of the Cash Notice. Failure to pay within this timeframe would constitute a default under the CLA and would allow Power to initiate enforcement actions to recover the debt, including by enforcing the security interests held against Ultra Lithium's Argentinian and Canadian mineral projects (ASX announcement 1 July 2024). Ultra Lithium did not repay the amount outstanding under the CLA within the 10-business day period.

On 17 July 2024 Power issued a **Default Notice** to Ultra Lithium for the full repayment of the amounts outstanding under the CLA at the date of the Default Notice, being an amount of AUD \$1,102,542, which included interest of AUD \$4,295.89 accrued from 1 July 2024 to 16 July 2024.

Under the Default Notice, Ultra Lithium was formally notified that it was in default under the CLA and outlined Power's rights generally to recover the debt, enforce the security interests held against Ultra Lithium's Argentinian and Canadian mineral projects and be indemnified against any loss and damage arising from enforcement actions (ASX announcement 17 July 2024).

As at the date of this release, the residual debt remains unpaid.

Authorised for release by the Board of Power Minerals Limited.

-ENDS-

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Additional information is available at www.powerminerals.com.au

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 the Lítio Niobium Project in Brazil and delivering value from our non-core Australian assets.

Forward looking Statements

This announcement contains 'forward-looking information' that is based on the Company's expectations, estimates and projections as of the date on which the statements were made. This forward-looking information includes, among other things, statements with respect to the Company's business strategy, plans, development, objectives, performance, outlook, growth, cash flow, projections, targets and expectations, mineral reserves and resources, results of exploration and related expenses. Generally, this forward-looking information can be identified by the use of forward-looking terminology such as 'outlook', 'anticipate', 'project', 'target', 'potential', 'likely', 'believe', 'estimate', 'expect', 'intend', 'may', 'would', 'could', 'should', 'scheduled', 'will', 'plan', 'forecast', 'evolve' and similar expressions. You are cautioned that such forward looking statements involve known and unknown risks,

uncertainties, assumptions and other important factors, many of which are beyond the control of the Company and which may cause actual results, performance or achievements to differ materially from those expressed or implied by such statements. Forward looking statements are provided as a general guide only, and should not be relied on as an indication or guarantee of future performance. Given these uncertainties, you are cautioned to not place undue reliance on any forward looking statement. Subject to any continuing obligations under applicable law the Company disclaims any obligation or undertaking to disseminate any updates or revisions to any forward looking statements in this announcement to reflect any change in expectations in relation to any forward looking statements or any change in events, conditions or circumstances on which any such statement is based.