

ASX RELEASE

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PNN

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PROJECTS**Argentina**

Salta Lithium Project

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

Power Executes Joint Venture Agreement for the Development of Rincon Project

- Power has executed a Joint Venture Agreement (JVA) for the development of the Rincon Project at its Salta Lithium Project in Argentina
- Navigate is the investor and party to the proposed Rincon JV (and will be the controlling shareholder), and will provide a US\$4 million equity investment into the Rincon JV
- With the JVA executed, Power will now receive the second US\$500k tranche under a Convertible Loan Agreement originally announced in the ASX announcement of 17 May 2024
- The conversion price will be the VWAP of Power's Shares trading on the ASX for the 30 days immediately prior to the conversion date noted above, with a premium of 20%, subject to a minimum price of \$0.14 and a maximum price \$0.20 per Share.
- The JVA comes after the successful completion of due diligence, and replaces the previous Binding term Sheet (BTS) announced 17 May 2024
- The JVA is a critical next step in formalising the terms under which its proposed to fund and develop the Rincon Project into a significant Direct Lithium Extraction (DLE) operation
- Power and its JV partners will now move to establish an incorporated JV Entity subject to satisfying conditions precedent

Power Minerals Limited (ASX: PNN, **Power** or the **Company**) is pleased to announce that it has executed a Joint Venture Agreement (**JVA**) for the strategic funding and development of the Rincon Project within the Company's Salta Lithium Project, in the lithium triangle of Argentina.

Power entered into a Binding Term Sheet (**BTS**) and Convertible Loan Agreement (**CLA**) for the strategic funding and development of the Rincon Project in May (ASX announcement 17 May 2024).

Power now advises that due diligence in respect of the JVA has been successfully completed, and that the JVA has been executed. The BTS terminated on execution of the JVA.

The JVA is a multi-party agreement. The parties to the JVA are:

1. Power Minerals Ltd (Power) and its wholly owned Subsidiaries PepinNini Minerals International Pty Ltd (PMIPL) and Power Minerals Sociedad Anonima (PMSA); and
2. Chinese entity Navigate Energy Technology Limited (Navigate), a wholly owned subsidiary of Chinese Entity Li Energy Technology (Li Energy) Limited; and
3. Singaporean entity Repenergy Investment Private Limited (**REP**).

Under the JVA, the parties propose to collaborate to secure funding for the development and construction of the Rincon Project into a significant lithium-producing operation. The parties propose to undertake the following obligations under the JVA;

- REP will organise and procure financing for the Rincon Project, including financing for the manufacture and installation of plant, equipment and LCE plant. It will also be responsible for the organisation and management of construction and operation of the proposed DLE plant at Rincon. REP will manage all interaction between the participating investment parties and Power; and
- Navigate is the investor and party to the proposed Rincon JV (and will be the controlling shareholder), and will provide a US\$4 million equity investment into the Rincon JV. It will provide the processing technologies, processing technique plus design scheme of plant and equipment planning for the proposed LCE plant.

Power will be responsible for;

- incorporating the Rincon JV Entity and transferring the Rincon Project to the Rincon JV Entity;
- supporting preliminary planning and supporting activities prior to the incorporation of the JV Entity;
- ensuring the Rincon Project permits are maintained in good standing and that all licensing arrangements needed for the operation of the Rincon JV Entity, and planned construction and production are in place; and
- co-ordination of community relations and for managing project infrastructure requirements including water, electricity and gas, and all related permits.

With the JVA now executed, an incorporated JV Entity (**Rincon Company**) will be established subject to a collaborative process to satisfy the following conditions precedent;

- Overseas Direct Investment (ODI) approval by the Chinese government not later than 5 months following the signing the JVA;
- Power incorporating the Rincon Company within 3 months of the completion of ODI approval;

- Navigate contributing US\$4 million capital for a 59% interest in the share capital of the Rincon Company;
- PMSA executing a deed of transfer to transfer the Rincon Project to the Rincon Company, in return for a 41% interest in the share capital of the Rincon Company. The shares will be held in the name of PMSA and PMIPL; and
- Power will grant Navigate a board nomination right to the Power Board.

“We are delighted to execute the Joint Venture Agreement for the Rincon Project. After the successful completion of due diligence, the JVA represents a critical next step in formalising the terms under which the Project is proposed to be developed into a proposed significant Direct Lithium Extraction production operation. With the JVA executed, Power will now receive the second \$500,000 tranche under the terms of the convertible loan agreement, and we will move forward to satisfy the conditions precedent, and establish the incorporated Joint Venture Entity for the Rincon Project.”

Power Minerals Managing Director Mena Habib

“We are very pleased with the outcomes of our due diligence process in relation to the Rincon Project and Power Minerals, and are excited to enter into the JVA for the Rincon Project. We look forward to the establishment of the Rincon JV Entity and to working in partnership with Power Minerals to realize our shared goal of delivering a new source of quality LiCl and value added products from the Rincon Project.”

Navigate Energy Technology Director Dr Wang Zhiqiang

Convertible Loan Agreement

Power entered into the CLA as per the terms set out in Power’s ASX announcement of 17 May 2024. The terms of the CLA have been updated, and are outlined below;

Li Energy has been replaced by Navigate as a party to the CLA. The other parties to the CLA - Power, Legendary Star Investment Asia Pte. Ltd. (**LS**), and REP - remains unchanged.

The CLA provides for an initial investment into Power by LS in 2 tranches;

1. US\$500,000, received 24 May 2024; and
2. US\$500,000 to be paid within 5 days of parties entering into the JVA.

The principal outstanding under the CLA will be repayable within 60 days upon receipt of a written demand from LS if Power shareholders do not approve conversion of the principal to shares (**Conversion Shares**).

The Conversion Shares will be issued to Navigate if ODI approval is received, and Navigate confirms this in writing to Power, by 31 January 2025. Otherwise the Conversion Shares will be issued to LS.

The conversion price will be the volume-weighted average price of Power's shares trading on the ASX for the 30 days immediately prior to the conversion date noted above, with a premium of 20%, subject to a minimum price of \$0.14 and a maximum price \$0.20 per Share.

It is intended that Power will seek shareholder approval for the issue of Conversion Shares in the amount of the principal outstanding (including any accrued interest) at the Company's AGM, proposed to be held in November 2024.

Power will be required to make a cash payment of US\$1 million to LS, and also repay the loan if not already converted to shares, if Power fails to incorporate the Rincon JV Entity, except where ODI approval is not obtained, or delays or refusals are caused by a governmental authority.

LS will forgive the loan if Navigate does not advance US\$4M to the JV Entity by 31 January 2025, provided that Navigate has issued a written notice confirming the completion and satisfaction of onsite due diligence, ODI approval has been granted, and Power has incorporated the Rincon Company.

About the Rincon Project

The Rincon Project is Power's most advanced asset at its Salta Lithium Project and is strategically located adjacent to major lithium brine projects held by Rio Tinto (ASX: RIO), Argosy Minerals (ASX: AGY) and Argentina Lithium and Energy (TSXV:LIT).

Power confirmed a substantial JORC Mineral Resource increase at Rincon in Q4 calendar 2023, which expanded the Rincon lithium Mineral Resource to; 292,564 tonnes Lithium Carbonate equivalent (LCE) – and increased the Salta Project's global JORC Mineral Resource to; 714,872t LCE (ASX announcement 2 November 2023).

The Company has also completed a Preliminary Economic Assessment (PEA) – completed to Scoping Study standard - for the Rincon Project. This provided initial formal confirmation of its potential to become a significant long-life supplier of high purity, battery-grade LCE (ASX announcement 29 November 2023).

Power is currently developing the Rincon Project in parallel with its other core assets at the Salta Lithium Project, the Incahuasi Project and the Pular Project. The Incahuasi and Pular Projects are subject to separate Binding Term Sheet agreements, which outline the key commercial terms upon which Power and the counterparties to the BTS's have agreed, or propose to agree, to enter into joint venture agreements (ASX announcements 11 July 2024 and 27 December 2023).

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.