

ASX ANNOUNCEMENT

20 November 2024

Power serves Ultra Lithium with section 244(1) notice under Bankruptcy and Insolvency Act (Canada)

Power Minerals Limited (ASX: **PNN**, **Power** or **the Company**) advises that it has significantly advanced the process to appoint a receiver over Ultra Lithium Inc. (TSXV: **ULT**) (**Ultra Lithium**) to recover the full amount outstanding under a convertible loan agreement (**CLA**) between the two companies (original CLA ASX announcement 16 May 2023). Under the CLA, Ultra Lithium granted Power certain security interests to guarantee loan repayment, which are governed by Canadian law, and include a General Security Agreement over Ultra Lithium's Canadian and Argentinian assets (**GSA**).

To enforce its rights and advance the appointment of a receiver over Ultra Lithium's assets, Power has served a section 244(1) notice under the *Bankruptcy and Insolvency Act* (Canada) (**s.244 Notice**). The s.244 Notice is the next step that Power must take to enforce its rights under the GSA. The s.244 Notice is a precondition to making an application to the relevant court to obtain an order to appoint a receiver over Ultra Lithium's assets.

The s.244 Notice has been served on Ultra Lithium by Norton Rose, Power's Canadian-based legal advisors. Norton Rose has also provided advice regarding Power's rights under the GSA and engaging specialist insolvency advisors to act as the receiver. Power is in the final stages of engaging a Canadian-based insolvency firm to act as the receiver.

The s.244 Notice provides that Power must give 10 days' notice of its intention to enforce a security interest prior to any taking any enforcement steps. Power may then make an application to the relevant court for orders to appoint a receiver. As at the date of this announcement, the Ultra Lithium CLA debt totalled AUD \$1,136,372. This figure has grown since the 16 July announcement under which Power confirmed issuing Ultra Lithium with a Default Notice demanding repayment of AUD \$1,102,542.

No payment has been made since the issue of the Default Notice. Previously on 25 October 2023 Power secured a AUD \$150,000 part payment from Ultra Lithium on 25 October 2023. Power has continued to attempt to proactively engage with Ultra Lithium to settle the dispute, however no reasonable settlement proposals have been made by Ultra to date. Accordingly, Power has taken the essential initial steps towards appointing a receiver over Ultra Lithium's assets.

"Power is committed to ensuring that its CLA rights are enforced and therefore securing the full repayment of the Ultra Lithium debt."

Power Minerals Managing Director, Mena Habib

See also Power's announcements regarding Ultra Lithium dated: 19 July 2023, 1 July 2024, 16 July 2024 and 5 September 2024.

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 niobium prospective assets in Brazil and delivering value from our non-core Australian assets.