

# ASX ANNOUNCEMENT

5 December 2024

## Power and Ultra Lithium agree loan settlement terms

### Highlights

- Power has agreed settlement terms with Ultra Lithium to recover outstanding amounts due under a convertible loan agreement (CLA) between the two companies
- Under the Settlement Agreement, Power will receive:
  - Repayment of A\$300,000 cash - total cash to be received from Ultra Lithium is A\$450,000, inclusive of the previously received A\$150,000; and
  - The transfer of all of Ultra Lithium's Canadian Mineral Claims – the Forgan Lake and Lake Jean Lithium Projects.
- The Forgan Lake Project is considered highly prospective for lithium pegmatites and project highlights include:
  - Drilling at Forgan Lake by Ultra Lithium in 2023 intersected multiple near-surface pegmatites and returned strong results including 7m at 1.35% Li<sub>2</sub>O from 15.44m in hole FL22-19; 8m at 1.13% Li<sub>2</sub>O from 16m and 7m at 1.04% Li<sub>2</sub>O from 26m in hole FL22-21<sup>1</sup>;
  - The Project is located in a stable and favourable mining jurisdiction, in the Thunder Bay Mining Division, in Ontario; and
  - Excellent infrastructure – well serviced by sealed roads and close proximity to deep water port.
- Until final payment is received Power maintains its rights over Ultra Lithium's Canadian and Argentinian assets.

Power Minerals Limited (ASX: **PNN**, **Power** or **the Company**) advises it has agreed settlement terms with Ultra Lithium Inc. (TSXV: **ULT**) (**Ultra Lithium**) to recover amounts outstanding under a convertible loan agreement (**CLA**) between the two companies (ASX announcement 16 May 2023).

Power is pleased to be able to bring closure to this matter and is satisfied with the commercial outcome of the settlement. The settlement agreement between Power and Ultra Lithium provides for the;

- repayment of A\$300,000 cash (**Cash Payments**) - total cash to be received from Ultra Lithium is A\$450,000, inclusive of A\$150,000 received as part payment on 25 October 2023; and

<sup>1</sup> Ultra Lithium announcement dated 08/02/2023 (<https://ultralithium.com/ultra-lithium-intersects-2-68-percent-lithium-oxide-at-the-forgan-lake-lithium-property/>)

- the transfer of all the mineral claims held by Ultra Lithium’s Canadian subsidiary North Canada Lithium Corp., specifically the Forgan Lake Lithium Project and Lake Jean Lithium Project (**Mineral Claims**),

to Power (**Settlement Agreement**).

The Settlement Agreement provides that Ultra Lithium pay A\$50,000 upon execution of the agreement and a further A\$250,000 within 60 days of signing. The Ultra Lithium payment of A\$50,000 was received by Power on 4 December 2024 in advance of final execution of the Settlement Agreement.

The Mineral Claims are located in the Ontario Province and are considered prospective for lithium pegmatites.

Power accepts the Settlement Agreement value of cash and the attributed value of the Mineral Claims as a commercially acceptable compromise. Whilst Power notes that the total debt claimed was A\$1,134,761, the overall value of the compromise has regard to avoiding further legal and enforcement costs, which would only be partially recoverable.

In respect of the further A\$250,000 payment, due on or about 3 February 2025, Power maintains its rights under the GSA until that final payment is received. Contemporaneous with that payment, it is anticipated that Power and Ultra Lithium will enter into a final deed of release.

**About the Forgan Lake Project**

Drilling at Forgan Lake by Ultra Lithium in 2023 intersected multiple pegmatites close to surface and returned results including **1m at 2.68% Li<sub>2</sub>O** and **2m at 1.89% Li<sub>2</sub>O** within **7m at 1.35% Li<sub>2</sub>O** from 15.44m in hole FL22-19; **8m at 1.13% Li<sub>2</sub>O** from 16m and **7m at 1.04% Li<sub>2</sub>O** from 26m in hole FL22-21<sup>2</sup>. Refer Schedule 1 for the Cautionary Statement on historical Exploration Results including previous soil sampling and drilling.

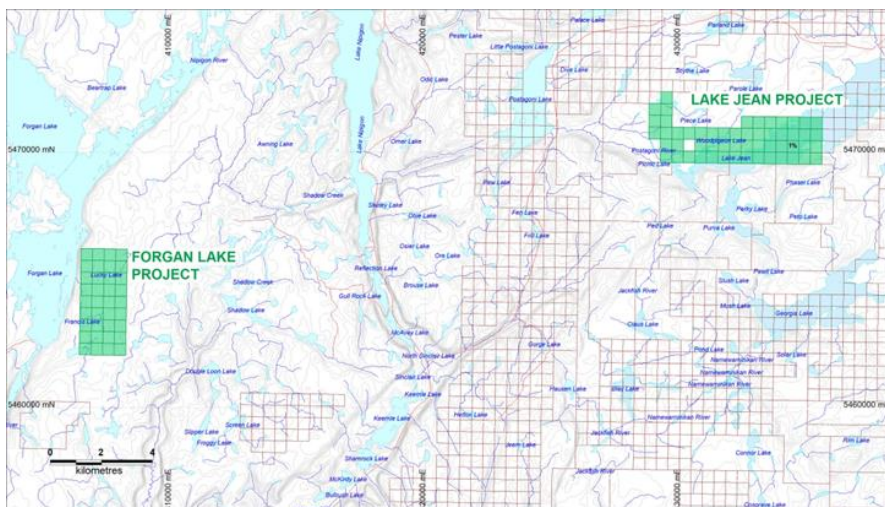


Figure 1: Ultra Lithium’s Forgan Lake and Lake Jean projects in Ontario, Canada

<sup>2</sup> Ultra Lithium announcement dated 08/02/2023 (<https://ultralithium.com/ultra-lithium-intersects-2-68-percent-lithium-oxide-at-the-forgan-lake-lithium-property/>)

Under the Settlement Agreement, the Mineral Claims are agreed to be transferred immediately, pending only Power establishing necessary regulatory arrangements to formally take ownership of these claims. As part of the Settlement Agreement negotiations, Power undertook due diligence on the good standing of the Mineral Claims.

**“Power sees the settlement with Ultra Lithium as a positive commercial outcome that represents real value and which satisfies the debt and avoids further enforcement costs and distractions from Power’s core focus to develop its projects. Power is confident of creating value for its shareholders in these projects.”**

**Power Minerals Managing Director, Mena Habib**

### **Background**

Under the CLA, Ultra Lithium granted Power certain security interests to secure repayment of the loan, which included a General Security Agreement over Ultra Lithium’s Canadian and Argentinian assets (**GSA**). The Settlement Agreement arose from further negotiations following Power’s issue of a section 244(1) notice under the *Bankruptcy and Insolvency Act* (Canada) (**s.244 Notice**). The s.244 Notice enabled Power to enforce its GSA rights and move forward to appoint a receiver over Ultra Lithium’s assets (ASX announcement 20 November 2024).

See also Power’s announcements regarding Ultra Lithium dated: 19 July 2023, 1 July 2024, 16 July 2024, 5 September 2024 and 20 November 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.

**COMPETENT PERSONS STATEMENT**

The information in this document that relates to the Forgan Lakes Project in Ontario, Canada has been prepared with information compiled by Steven Cooper, FAusIMM (No 108265). Mr Steven Cooper is the Exploration Manager and is a full-time employee of the Company. Mr Steven Cooper has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Steven Cooper consents to the inclusion in the announcement of the matters based on his information in the form and context in which it appears.

**SCHEDULE 1 - Historical Exploration Results – Cautionary Statement.**

Drilling and sampling results (exploration results) from Forgan Lakes presented in this announcement have been reported previously by the former owner TSX-listed Ultra Lithium Inc.

Nothing has come to the attention of Power that causes the Company to question the accuracy or reliability of the former owner’s exploration results; but Power has not independently validated the former owner’s sampling results and therefore is not to be regarded as reporting, adopting or endorsing those results.

The source and date of the results are shown in the table of TSX announcements below.

The exploration results reported in 2022 and 2023 by Ultra Lithium Inc. were reported under Canadian National Instrument 43-101 Code. A summary of the work programs completed, and significant intercepts are included in the announcements listed in the table below. As a result, the reported exploration results -

- Have not been reported in accordance with the JORC Code 2012 and may not conform to the JORC Code 2012.
- A Competent Person has not done sufficient work to disclose the exploration results in accordance with the JORC Code 2012.
- It is possible that following further evaluation and/or exploration work, that the confidence in the previously reported exploration results may be reduced when reported under the JORC Code 2012.
- Nothing has come to the attention of the Company that causes it to question the accuracy or reliability of the former owner’s exploration results; but
- The Company has not independently validated the former owner’s exploration results and therefore is not to be regarded as reporting, adopting or endorsing those results.

Power intends to undertake further sampling and possible drilling at Forgan Lake and to confirm the tenor and continuity of lithium mineralisation intersected by Ultra Lithium Inc.

TSX Announcements related to Forgan Lakes sampling results.

<b>Date</b>	<b>Company</b>	<b>Announcement</b>
11 October 2022	Ultra Lithium Inc.	Ultra completes 3,500m drilling at Forgan Lake & Georgia Lake
8 February 2023	Ultra Lithium Inc.	Ultra intersects 2.68% Li Oxide at Forgan Lake Property
22 March 2023	Ultra Lithium Inc.	Ultra cuts 1.81% Li oxide over 10m in channel at Forgan Lake

**Notes to the exploration results reported in the TSX Announcements.**

1. All holes are diamond cored drillholes.
2. The type of analytical or testing utilised and sample size and the quality assurance program and quality control measures are consistent with those described in the TSX announcement dated 8 February 2023 titled “Ultra Lithium Intersects 2.68 Percent Lithium Oxide at The Forgan Lake Lithium Property in Northern Ontario, Canada”.

3. Drill samples were diamond core cut by rock saw which was then assayed by Activation Laboratories (ACTLABS) by method Ultratrace 7 using peroxide fusion followed by ICP-OES+MS. Activation Laboratories are an independent geochemical laboratory in Ontario.

4. The true widths of intercepts from the exploration holes are currently unknown.