

ASX RELEASE

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PNN

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PROJECTS**Argentina**

Salta Lithium Project

AustraliaEyre Peninsula Kaolin-Halloysite
ProjectMusgrave Nickel-Copper-Cobalt-
PGE Project

Power expands Argentinian lithium asset portfolio via Ultra Lithium acquisition

- Power signs binding Term Sheet with TSX-V-listed Ultra Lithium Inc. to acquire 100% of its Argentinian lithium subsidiaries in Catamarca Province, north-west Argentina
- The acquisition will add the 7,568 hectare Laguna Verde lithium-brine project plus 250,000+ hectares of prospective properties to Power's portfolio of lithium development assets in Argentina
- Upon completion, Power will have one of the largest lithium-brine land holdings in the world-renowned lithium triangle region of Argentina
- Acquisition reinforces Power's strategy of becoming a leading lithium brine developer in Argentina
- Acquisition is subject to a 21-day due diligence period and finalisation of an Acquisition Agreement, plus approval from Power and Ultra shareholders

Diversified minerals company Power Minerals Limited (**ASX-PNN**) (**Power** or **the Company**) is pleased to announce it has signed a binding Term Sheet to purchase 100% of the Argentinian lithium subsidiaries of TSX Venture Exchange-listed Ultra Lithium Inc. (**TSXV-ULT**) (**Ultra Lithium**).

Ultra Lithium holds 100% of the extensive +250,000-hectare Laguna Verde lithium-brine projects in the Catamarca Province, within the world-renowned lithium triangle in north-west Argentina (**the Projects**).

The acquisition of the Laguna Verde projects (**Acquisition**) aligns with Power's strategy of becoming a leading lithium brine developer in Argentina, and complements Power's core focus of developing its Salta Lithium Project with its direct lithium extraction (DLE) partners, to deliver shareholder value.

The Acquisition will expand Power's portfolio of lithium development assets in Argentina's lithium triangle to 2,837.70km², making it one of the largest lithium landholders in the region and providing it with a significant pipeline of development projects.

"This acquisition allows Power to extensively expand our footprint in Argentina with an advanced lithium brine project in the world's best lithium address. This strategic acquisition comes at an opportune time as interest and demand in Argentinian lithium brine continues to increase. We aim to take advantage of this opportunity, in parallel with our core focus on the development of our Salta Lithium project, with the delineation of a JORC Mineral Resource Estimate for the Laguna Verde Project in the second half of 2023, using results from recently completed drilling by Ultra Lithium at the project. This will complement the ongoing Resource expansion program at Salta."

Power Minerals Managing Director, Mena Habib

Transaction Summary

Power has entered into a binding Term Sheet, subject to 21 days of technical and financial due diligence, whereby it will purchase all the shares in Ultra Lithium's 100%-owned subsidiaries Ultra Argentina SARL and Ultra Minerals S.A. via the issue of ordinary shares in Power. Ultra Argentina SARL and Ultra Minerals S.A. owns 100% of the 7,568 hectare Laguna Verde lithium-brine project plus 250,000+ hectares of prospective properties in Catamarca Province, northern Argentina.

Upon completion of the due diligence period, Power and Ultra Lithium will enter into a final Acquisition Agreement covering all key commercial terms including the share distribution.

Consideration for the Acquisition will be by way of ordinary shares in Power Minerals issued to Ultra Lithium in two equal tranches, as follows:

1. A first tranche of 25 million shares are to be issued once relevant regulatory and shareholder approvals are received by both Power and Ultra Lithium.
2. A second and final tranche of 25 performance rights are to be issued subject to the definition of a JORC Mineral Resource of 2 million tonnes at greater than or equal to 350ppm lithium carbonate equivalent (**LCE**) at the Laguna Verde properties within six months and based on drilling results already conducted by Ultra Lithium in late 2022/early 2023. These would be issued once relevant regulatory and shareholder approvals are received by both Power and Ultra Lithium.

Subject to regulatory rules, shares issued to Ultra Lithium from both tranches will be subject to a 1-year escrow.

Next Steps

Upon completion of the due diligence and finalisation of the Acquisition Agreement, Power and Ultra Lithium will undertake general meetings with respective shareholders to seek final approval of the Acquisition Agreement.

Ultra Lithium will also seek approval from TSX-V for a convertible note that will be provided by Power to Ultra Lithium.

Secured Convertible Loan

In addition, Power will provide a secured convertible loan for working capital, secured by Ultra Lithium's Argentinian lithium-brine projects for A\$1.13m to facilitate the transaction. The utilised amount of this loan may be deducted from the number of shares to be issued at a presumed value of \$0.35 per share within Power's Listing Rule 7.1 capacity.

In the event that the transaction does not proceed, this loan will be fully repayable to Power in its entirety.

About the Laguna Verde Projects

In total, Ultra Lithium, through its 100% owned subsidiaries Ultra Argentina SRL and Ultra Minerals S.A., holds **8,581 hectares of Mina** and **260,482 of Claims** – for a total project area of **269,063 hectares** - in Catamarca Province, in the lithium triangle of Argentina, which hosts the world's largest lithium brine operations.

The Laguna Verde brine lithium property comprises 7,569 hectares of land over three mining licenses in Catamarca Province. Geologically, the property is located in the main lithium-bearing region of South America, in the Altiplano Puna plateau (Puna), which is approximately 2,000km long by 300km wide with an average elevation of 3,500m, controlling the geomorphology of the central Andes.

See below Table 1 for list of licences being acquired by Power, and Figures 1 and 2, which show the project area.

Ultra Lithium has been conducting lithium exploration work at the Laguna Verde lithium project since 2017. Exploration between 2017 and 2021 included surface brine sampling, ground geophysical surveys and bench scale evaporation testwork. Power will report on all previous exploration work once technical due diligence has been undertaken and a JORC Code 2012 Edition Reporting of Results Table has been completed.

In February, Ultra Lithium announced assay results from the first and second rounds of drilling and sampling at Laguna Verde, completed in January and February 2023, to the TSX-V (**ULT Announcement**

28 February 2023). Ultra Lithium CEO Dr. Weiguo Lang, stated, “The assay results from Laguna Verde indicate great potential for the project interpreted as a single brine aquifer showing consistent values of lithium and other parameters down to an open depth of 227 meters.”

Power assesses these results as being highly encouraging. On completion of the Acquisition, Power and Ultra plan to work towards the definition of a maiden JORC Mineral Resource at Laguna Verde.

This work will be undertaken in parallel with Power’s core focus of completing its ongoing JORC Mineral Resource drilling campaign at its Salta Lithium Project, and defining an updated JORC Mineral Resource at the Salta Project.

Table 1: ULT Properties being purchased by PNN

Province	Mine/Claim	Concession Name	Company Name	Hectares
Catamarca	Mine	Laguna Verde III	Ultra Argentina SRL	2,398
		Laguna Verde II	Ultra Argentina SRL	2,953
		Laguna Verde I	Ultra Argentina SRL	2,217
		La Maru	Ultra Argentina SRL	200
		Blanca Elena	Ultra Argentina SRL	200
		Griselda	Ultra Argentina SRL	200
	Claim	OCTY1	Ultra Minerals S.A.	10,000
		OCTY2	Ultra Minerals S.A.	10,000
		OCTY3	Ultra Minerals S.A.	10,000
		OCTY4	Ultra Minerals S.A.	10,000
		OCTY5	Ultra Minerals S.A.	10,000
		OCTY6	Ultra Minerals S.A.	10,000
		OCTY7	Ultra Minerals S.A.	8,427
		OCTY8	Ultra Minerals S.A.	8,891
		OCTY9	Ultra Minerals S.A.	10,000
		OCTY10	Ultra Minerals S.A.	10,000
		OCTY11	Ultra Minerals S.A.	7,975
		OCTY12	Ultra Minerals S.A.	10,000
		OCTY13	Ultra Minerals S.A.	10,000
		OCTY14	Ultra Minerals S.A.	10,000
		OCTY15	Ultra Minerals S.A.	10,000
		OCTY16	Ultra Minerals S.A.	9,206
		OCTY17	Ultra Minerals S.A.	10,000
OCTY18		Ultra Minerals S.A.	9,453	
OCTY19	Ultra Minerals S.A.	6,921		
OCTY20	Ultra Minerals S.A.	9,609		
Claim	Kolla 1	Ultra Argentina SRL	10,000	
	Kolla 2	Ultra Argentina SRL	10,000	

		Kolla 3	Ultra Argentina SRL	10,000
		Kolla 4	Ultra Argentina SRL	10,000
		Kolla 5	Ultra Argentina SRL	10,000
		Kolla 6	Ultra Argentina SRL	10,000
		Kolla 9	Ultra Argentina SRL	10,000
Salta	Mine	Archivarc Norte	Ultra Argentina SRL	413
Total Sala Area				269,063

Figure 1: Laguna Verde I, II, III, La Maru, Blanca Elena, Griselda, Kolla 1-6 and 9, Archivarc Norte claims

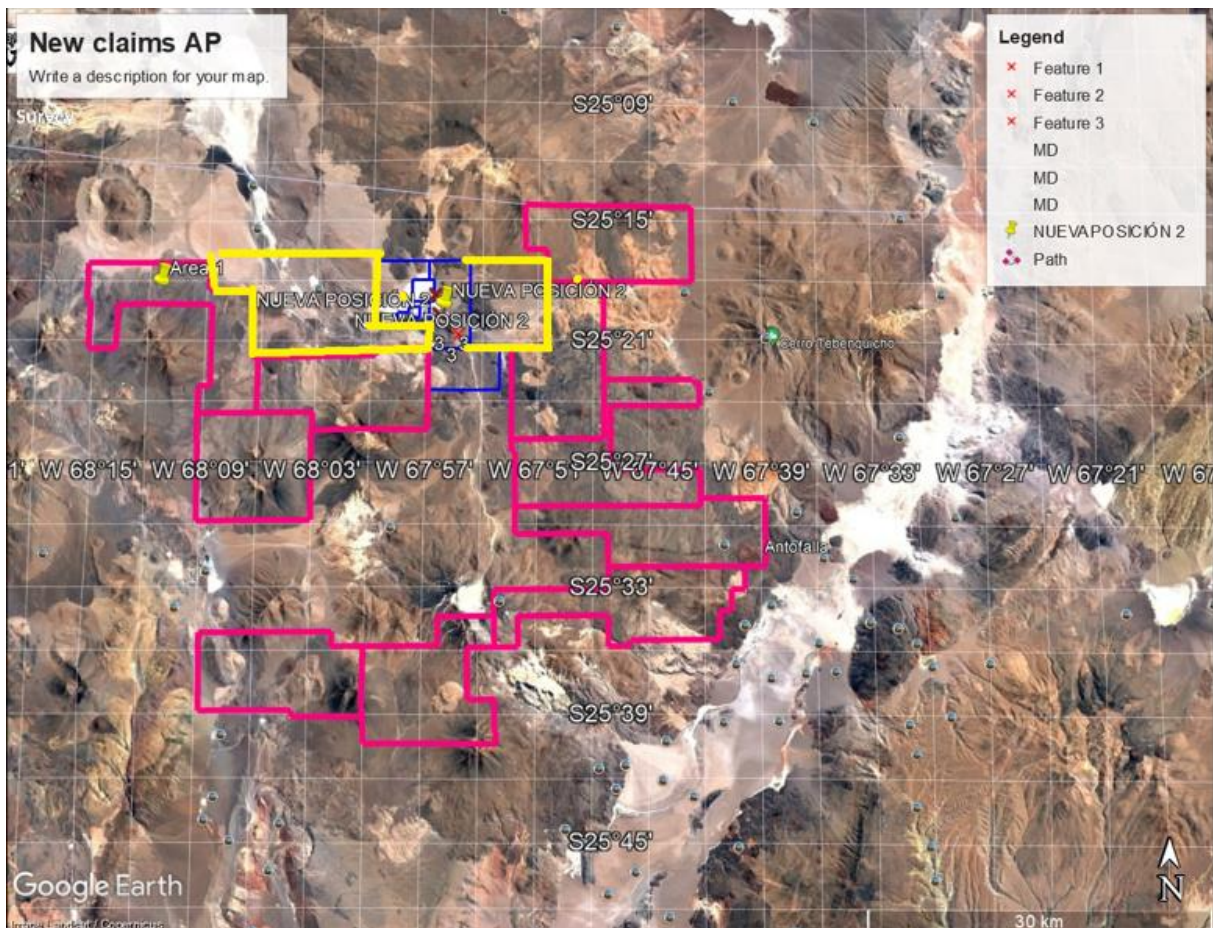
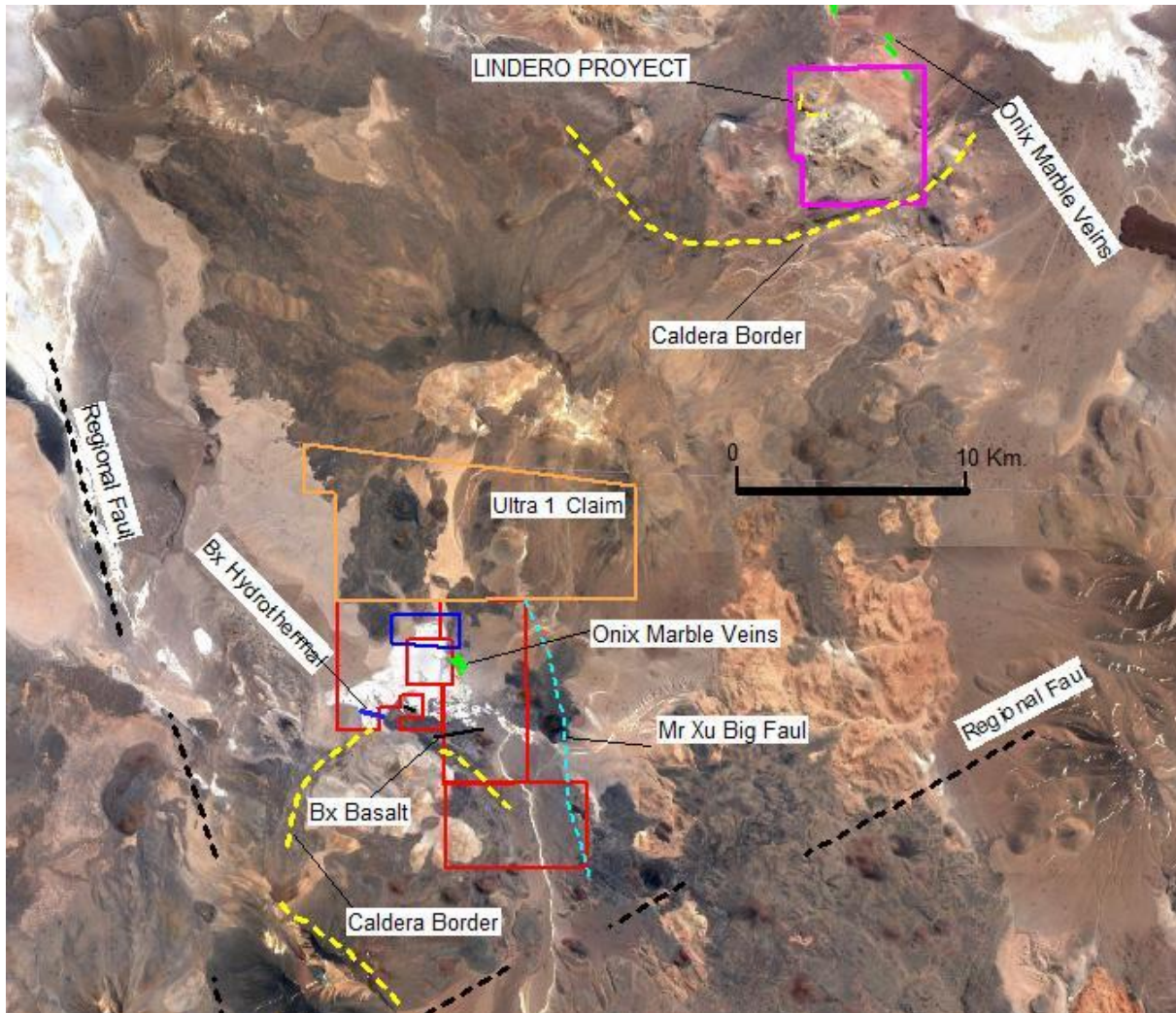


Figure 2: Claims



Appointment of CEO, Argentina Operations

It is proposed that on the completion of the Acquisition, Ultra Lithium CEO, Dr. Weiguo Lang, B.Eng., D.Eng., will be appointed to the position of CEO, Argentina Operations, reporting to the Power Minerals board.

Dr. Weiguo Lang has more than 20 years' experience in the mining, technology and agriculture sectors, with a focus on building strategic alliances, joint ventures and financing. He is the Executive Director of Hong Kong Stock Exchange listed company, Zhongsheng Resources Holdings Limited (2623.HK). In this role, he is primarily responsible for business development and investment.

Prior to that, he has held directorships with Klondex Mines Ltd., Agro International Inc., Zhongrun (Tianjin) Mining Development Co., Ltd., Ventek Systems Inc. and Q-Net Technologies Inc.

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Dr. Weiguo Lang has a Bachelor Degree in Engineering from Agriculture University of Heilongjiang in China, and Masters and Doctorate degrees in Engineering from the University of Saskatchewan, Canada.

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 lithium-focused exploration and development company, committed to the systematic exploration and development of its core asset, the Salta Lithium Brine Project in the prolific lithium triangle in the Salta Province in Argentina. It is currently undertaking a major JORC Mineral Resource expansion drilling campaign at Salta, and is focused on expediting development of the Project in to a potential, future lithium producing operation. Power also has a portfolio of other assets in key, demand-driven commodities including; kaolin-halloysite, nickel-copper-cobalt and PGEs.

Competent Persons Statement

This announcement regarding the Salta Lithium project has been prepared with information compiled by Marcela Casini, MAusIMM. Marcela Casini is the Company's Exploration Manager, Argentina and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration 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". Marcela Casini consents to the inclusion in the report of the matters based on her information in the form and context in which it appears.

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. Persons reading this announcement are cautioned that such statements are only predictions, and that the Company's actual future results or performance may be materially different. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the Company's actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information.

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