

ASX ANNOUNCEMENT



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PNN

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POWER TERMINATES RINCON LITHIUM JV TO RETAIN 100% PROJECT OWNERSHIP

- Power recognises the significant upside potential of its Rincon Lithium Project and is committed to pursuing more attractive funding and development pathways to maximise value for shareholders
- Given strong current lithium market conditions and outlook, and opportunities afforded by the Rincon Project's strategic location, the Rincon JV did not represent the optimal value proposition for the development of the Rincon Project
- The JV partners have agreed to terminate Rincon JV, allowing Power to retain a 100% project interest
- Discussions are now underway with potential new funding and development partners with the view to fast track development
- An engineering study is also to commence regarding the installation of evaporation ponds at the Rincon Project
- The Rincon Project is the most advanced asset within Power's Salta Lithium Project; Significant JORC 2012 Mineral Resource of 292,564t LCE
- Robust Preliminary Economic Assessment (PEA) completed to Scoping Study standard
- Strategically located adjacent to Rio Tinto and Argosy Minerals' Rincon lithium projects
- Freshwater source to be provided via the Pocitos Project, which will form a key to Powers DLE plant at Pocitos

Power Minerals Limited (ASX: PNN, Power or the Company) advises that it is implementing a new development strategy for the Rincon Lithium Project in Salta province, within the lithium triangle of Argentina. Key to this strategy, Power has agreed with its joint venture partner, Navigate Energy Technology Limited (**Navigate Energy**), to terminate the Rincon Joint Venture agreement (**Rincon JV**) and related project documentation.

Under the Rincon JV, Navigate Energy was to earn a 59% interest by investing US\$4m. Against the backdrop of a resurgent lithium price and a positive lithium demand outlook, Power has reassessed the Rincon JV arrangements to determine the best development pathway to deliver value from the Rincon Project.

As a result of this process, Power has determined that given the strong current lithium market conditions and improving outlook, and the opportunities afforded by the Rincon Project's strategic location within the Rincon Salar, related supporting tenure and access to infrastructure, the Rincon JV arrangements no longer represent Power's optimal value proposition for the development of the Rincon Project.

With ASX peer Argosy Minerals' Rincon lithium being on the Rincon salar, Power believes it can achieve a similar path to production. As a next development step, Power will progress an engineering study for the installation of evaporation ponds, which support enhanced production. Power also intends to establish a production hub for the Rincon Project at its nearby Pocitos Project, due to its proximity to existing infrastructure and potential to provide a fresh water source, which is required for processing brine from the Rincon Project.

The JV parties have agreed to terminate the Rincon JV effective from the date of repayment of the US\$1 m facilitated by Navigate Energy as part of the Rincon JV arrangements. Conditional upon repayment, the termination date is planned to be not later than 28 February 2026.

As part of Power's assessment of the joint venture, premised on termination of the Rincon JV, Power has taken a proactive decision to pursue new options that better align with the value position the Rincon Project represents. Power has commenced initial discussions with potential joint venture partners to maintain control by holding a majority stake in arrangements for future funding and development of the Rincon Project.

Power intends to secure future funding and development arrangements by leveraging the strengthening lithium market and the Rincon Project's strategic location within an operating lithium producing salar to maximise value to shareholders and the Company.

About the Rincon Project

The Rincon Project is Power's most advanced asset within its wider Salta Lithium Project, and the Company remains committed to its development into a lithium producing operation. Rincon is strategically located adjacent to Rio Tinto's and Argosy Minerals' projects, which are also progressing developments on the Rincon salar.

Power's Rincon Project hosts a JORC Mineral Resource of 292,564 tonnes LCE, comprising 157,130 tonnes LCE at 258 mg/L Li of Measured + Indicated Resources and 135,433 tonnes of LCE at 276 mg/L Li of Inferred Resources (ASX announcements 1 and 2 November 2023)¹.

Power has also completed a positive Preliminary Economic Assessment for the Rincon project (completed to Scoping Study-level), the details of which are provided in the ASX announcement of 27 November 2023.

Further information on the Rincon Project and the Rincon JV is provided in ASX announcements of 2 September 2024, 8 July 2025 and 9 December 2025.

¹ PNN confirms all material assumptions and technical parameters underpinning the Resource Estimates continue to apply and have not materially changed as per Listing Rule 5.23.2.

"We are committed to maximising value from the Rincon Lithium Project, the largest and most advanced of our Salta Lithium Project assets. Given the strengthening lithium price over the past six months and a positive lithium market outlook, it was essential for Power Minerals to revisit the Rincon JV terms and partnering and assess the potential to deliver a stronger value proposition for shareholders and Power Minerals. The outcome of this process was a mutual decision to terminate the Rincon JV. We thank Navigate Energy for their valued commitment to supporting the Rincon JV process.

We now look forward to advancing exploration with a goal to fast-track to a pilot plant scale project."

Mena Habib, Managing Director of Power Minerals Limited

Next steps

Power has commenced initial discussions with a number of new potential partners to fund the development of the Rincon Project into a significant lithium producing operation.

Operationally, the next step at the Project will be the development of a lithium brine pilot plant for brine testing (subject to funding). A pilot plant would test the Project's lithium brine qualities and help tailor suitable Direct Lithium Extraction (DLE) technology to maximise output from a commercial-scale lithium production operation.

Power will also repay the initial US\$1 million in operational funding introduced by Navigate Energy as part of the transaction arrangements to advance the Rincon JV.



Figure 1. Drilling PM23-VI-02 during July 2023.

The drillhole reached 605 metre depth still within lithium brine and without intersecting basement.

Authorised for release by the Board of Power Minerals Limited.

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ABOUT POWER MINERALS LIMITED

Power Minerals Limited is an ASX-listed exploration and development company. We are focused on transforming our lithium resources in Argentina, exploring our promising REE, niobium and other critical mineral assets in Brazil, and maximising value from our Australian assets.

Forward-Looking Statements

This announcement contains forward-looking statements based on current expectations and assumptions, which are subject to risks and uncertainties that may cause actual results to differ materially. These include project acquisition and divestment, joint venture, commodity price, exploration, development, operational, regulatory, environmental, title, funding and general economic risks. The Company undertakes no obligation to update these statements except as required by law.

Competent Persons Statement

The information in this announcement relating to Mineral Resources for the Rincon Lithium Project in Argentina, is based on and fairly represents, information and supporting documentation prepared by Marcela Casini, MAusIMM and Steven Cooper, FAusIMM. Marcela Casini is an experienced and highly qualified hydrologist working with PNN in Argentina, and Steven Cooper is the Exploration Manager and a full-time employee of the Company. Mr Cooper and Ms Marcela Casini have 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'. Both consent to the inclusion in the announcement of the matters based on his information in the form and context in which it appears.

This announcement contains Mineral Resources that have been released previously on the ASX. Power Minerals confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed as per Listing Rule 5.23.2. The Company confirms that the form and context in which the Competent Person's finding is presented have not been materially modified from the original market announcements.