

Power completes acquisition of Morro do Ferro Rare Earths Project, Brazil

Highlights

	<ul style="list-style-type: none"> ▪ Power has completed its acquisition of the high-grade Morro do Ferro Rare Earths Project (MDF Project) in Brazil, signing a Definitive Agreement with private exploration company Mineração Terras Raras (MTR)
	<ul style="list-style-type: none"> ▪ Definitive Agreement follows Power's technical evaluation uncovering exceptional concentrations of magnetic rare earth oxides (MREO), including neodymium (Nd), praseodymium (Pr), dysprosium (Dy) and terbium (Tb)
	<ul style="list-style-type: none"> ▪ MDF's high MREO concentrations are expected to drive project economics, as these four elements account for >80% of the market value for all REE
	<ul style="list-style-type: none"> ▪ Previous drilling returned up to 35,332ppm MREO (or 3.53% of whole rock) over a 2m interval in hole MFSR-47
	<ul style="list-style-type: none"> ▪ Other previous TREO results over entire downhole length include <ul style="list-style-type: none"> ○ 100.44m at 49,910ppm (or 4.99%) TREO from surface to EOH in drillhole MFSR-10 ○ 60.85m at 89,177ppm (or 8.92%) TREO from surface to EOH in drillhole MFSR-35 ○ 70.9m at 79,997ppm (or 8.00%) TREO from surface to EOH in drillhole MFSR-44
	<ul style="list-style-type: none"> ▪ Drilling conducted to date by previous owners has only partially tested the known extent of MDF's main deposit, providing exciting expansion potential to the northeast and southwest
	<ul style="list-style-type: none"> ▪ MDF is located within the Poços de Caldas Alkaline Complex, a well-established REE province in Brazil that hosts several advanced REE projects
	<ul style="list-style-type: none"> ▪ Next steps - accelerated fieldwork programs; <ul style="list-style-type: none"> ○ RC and diamond drilling on the main high-grade deposit; and ○ aircore drilling of surrounding areas to define new priority targets

Power Minerals Limited (ASX: PNN | OTCQB: PEIMF) is pleased to announce it has completed the acquisition of the high-grade Morro do Ferro (MDF) Rare Earths Project in southern Minas Gerais state, Brazil.

Power successfully completed comprehensive corporate, financial and technical due diligence over the MDF Project¹, and has now executed a Definitive Agreement with the project vendors, private exploration company Mineração Terras Raras (MTR), and completed the acquisition.

Power entered into a Binding Letter of Intent (LoI) with MTR for the project last month¹. The Project is a very high-grade REE asset, strategically located within the Poços de Calders Complex, acknowledged as one of the world's leading REE precincts.

With the acquisition complete, Power plans to accelerate exploration programs at the Project to unlock its full value potential. This will include deep (>200m) diamond core and RC drilling to continue to define the main deposit, where mineralisation remains open at depth and along strike - with much of its extent poorly defined. Aircore drilling is also planned to identify new REE target areas outside the main deposit.

Positive due diligence outcomes

Due diligence confirmed the MDF Project's substantial potential for the definition of a significant magnetic rare earth oxides (MREO) Mineral Resource Estimate (MRE), and its strategic alignment with Power's project portfolio. Power is confident that the acquisition of the MDF Project will position the Company as an emerging leader in the rare-earth sector and help address the rising global demand for these essential mineral elements.

Findings from Power's technical due diligence have reinforced the remarkable presence of magnetic REEs as part of the Total REEs concentration, intersected in drilling by the previous project owner. The MDF Project's exceptionally high-grade Total REE drilling intercepts included the following significant weighted average results for the **full length** of selected diamond cored drillholes:

- **100.44m at 49,910ppm (or 4.99%) TREO from surface to EOH** in drillhole MFSR-10
- **100.2m at 29,417ppm (or 2.994%) TREO from surface to EOH** in drillhole MFSR-04
- **70.9m at 79,997ppm (or 8.00%) TREO from surface to EOH** in drillhole MFSR-44
- **60.85m at 89,177ppm (or 8.92%) TREO from surface to EOH** in drillhole MFSR-35
- **60.6m at 70,217ppm (or 7.02%) TREO from surface to EOH** in drillhole MFSR-20.

Please refer to the Company's announcement dated 5 March 2026 for the full list of intercepts.

Numerous drillholes have significant TREO grades at the end of the hole. Diamond core drillhole MFSR-36 was **drilled to a depth of 100.05m**, with the last sample from the drillhole (sample 814) **over 2.05m still contained 28,674ppm (or 2.87%) TREO from 98m downhole.**

¹ PNN ASX Announcement dated 5 March 2026

These extremely high-grade TREO intercepts contain significant magnetic rare earth oxide concentrations, including:

- 100.2m at 6,103ppm MREO from surface to EOH, including 21.35m at 14,438ppm (or 1.44% of whole rock) MREO from 41m (MFSR-04)
- 100.44m at 9,485ppm (or 0.95%) MREO from surface to EOH, including 19.3m at 22,541ppm (or 2.25%) MREO from 25m (MFSR-10)
- 60.6m at 13,129ppm (or 1.31%) MREO from surface to EOH (MFSR-20)

Power Minerals Managing Director Mena Habib said:

“We are delighted to have completed the acquisition of the Morro do Ferro Project, having only entered into an Lol to acquire the Project in the previous month and completing comprehensive due diligence earlier this month. The Project represents a well-validated, high-grade, rare-earth asset in an emerging global rare-earth hub in Brazil and is an ideal complement to our Brazilian project portfolio. An assessment of available exploration data highlights the Project’s strong Mineral Resource potential and excellent expansion upside, subject to further exploration. The Project also has significant topographical advantages that we will seek to exploit in any future development. Leveraging the extensive technical expertise of our management team, we look forward to expediting our initial exploration programs at MDF to realise its full value proposition.”

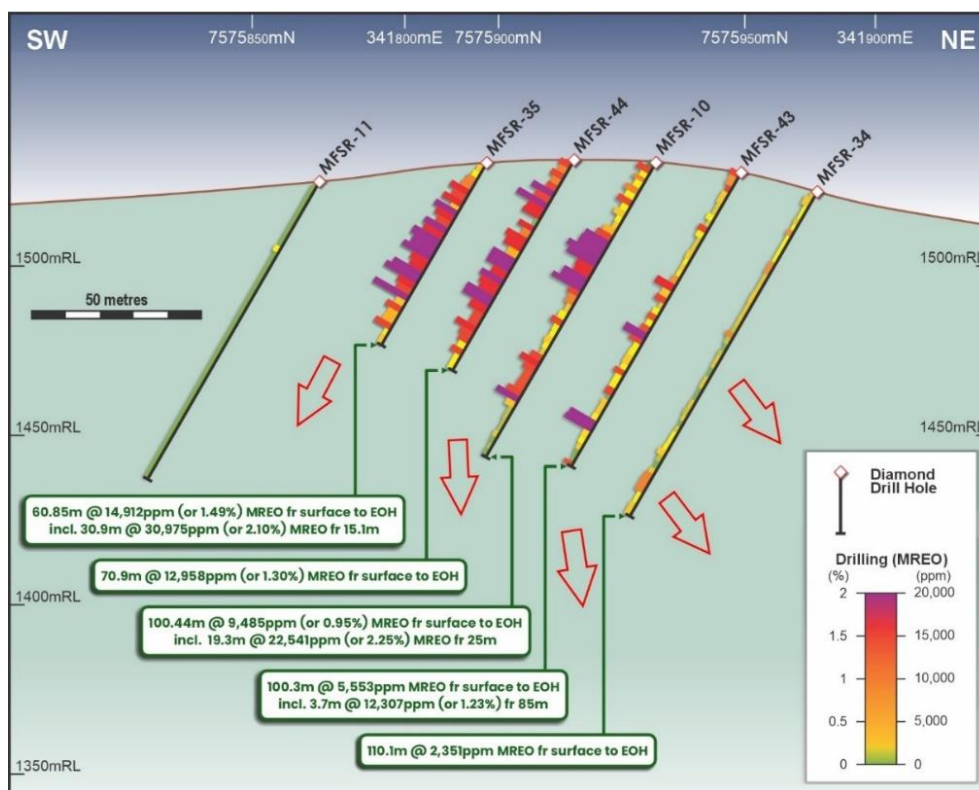


Figure 1: Cross section looking northwest with MREO intersections from previous drilling and arrows indicating depth and strike potential. Refer to PNN announcement dated 8 April 2026 for a full list of intercepts and drilling details.

Summary of Definitive Agreement

Please refer to the Company's announcement dated 5 March 2025 for the key terms of the acquisition included in the LOI, which have been preserved in the Definitive Agreement. Additional or refined terms included in the executed Definitive Agreement are summarised below:

- **Share sale:** the acquisition has taken place through the sale of 100% of the issued capital in MTR rather than an acquisition of the Morro do Ferro Rare Earths Project assets.
- **Additional resource milestone on the first deferred instalment:** the first deferred instalment (comprising A\$2,500,000 in cash and A\$2,500,000 worth of PNN shares) is payable on the earlier of 12 months from completion or the Company delivering a maiden JORC-compliant Mineral Resource of 10Mt at 2.5% TREO.
- **VWAP floor on scrip issues:** if the 20-day VWAP of PNN shares immediately before any scheduled issuance is below the A\$0.09 deemed issue price, the relevant instalment shall be satisfied in cash (at the same A\$ amount) and no shares will be issued for that instalment.
- **Vendor scrip election on cash instalments:** the vendors may elect to receive up to 80% of the cash component of any instalment in PNN shares (at a deemed issue price equal to A\$0.09), subject to shareholder and ASX approvals.
- **Security package:** the deferred consideration is secured by a pledge over the shares in MTR and a mortgage over the associated Morro Alto e Consulta rural property, each released automatically on satisfaction of Power's payment obligations (via pre-signed release instruments held by an escrow agent).
- **Restriction on the Rural Property:** until the share pledge is released, Power may not sell, encumber or otherwise dispose of the Morro Alto e Consulta rural property, and must procure annotation of that restriction on the property's real estate registry record within 10 days of completion.

Next steps

Power plans to commence expedited fieldwork programs at MDF, which will include initial drilling programs, as outlined below;

- **Diamond core and RC drilling** to augment drilling completed by the previous project owner and further define the REE main deposit. Primary mineralisation at the main deposit remains open at depth and along strike, with much of its extent yet to be fully defined; and
- **Aircore drilling** of selected areas outside the main deposit. This will include infill drilling of previous shallow (~10m) auger drilling, and extension drilling to identify new priority REE targets.

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 brine resources in Argentina, exploring our promising REE, niobium and other critical mineral assets in Brazil, and maximising value from our Australian, Canadian, and other Argentinian assets.

Competent Persons Statement

The information in this announcement that relates to exploration results in respect of the Morro do Ferro Project in Brazil is based on and fairly represents information and supporting documentation prepared by Steven Cooper, FAusIMM (No 108265), FGS (No.1030687). Mr Cooper is the Exploration Manager and is a full-time employee of the Company. Mr 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 Cooper consents 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 references to exploration results 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 the Listing Rule 5.23.2. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

The sample interval results reported in this announcement are a weighted average for all drillhole samples over the interval with no upper or lower cut-offs. Any interval depths reported are downhole distances and may not represent true thickness. Full Morro do Ferro drillhole details are provided in Power Minerals ASX announcements dated 5 March and 8 April 2026. Power Minerals uses the following Magnet Rare Earth Oxides definition $MREO = [Nd_2O_3] + [Pr_6O_{11}] + [Tb_4O_7] + [Dy_2O_3]$

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.