

29 December 2020

**Power Metal Resources plc**

**("Power Metal" or the "Company")**

**Canadian Silver Project – Exploration Update**

Power Metal Resources plc (LON:POW) the AIM listed metals exploration and development company is pleased to announce an exploration update from the Silver Peak silver project (the "Silver Peak Project" or the "Project") in British Columbia, Canada.

**CHIEF EXECUTIVE OFFICER'S STATEMENT**

***Paul Johnson Chief Executive Officer of Power Metal Resources plc commented:***

*"I am very pleased to announce the results of the revised man-portable drilling programme at Silver Peak conducted in November 2020.*

*We were eager to investigate high-grade vein continuity at Silver Peak hoping that positive exploration outcomes would build our knowledge base and potentially expedite the pathway to bringing what was a former high-grade working silver mine back into production.*

*The severely challenging weather conditions altered and curtailed the drill programme as announced, and notwithstanding the enhanced geological understanding of the silver mineralisation we gathered during the drilling exercise, the low number of samples collected meant it would be more difficult to establish any potential vein continuity as targeted.*

*Moreover, with the weather impacted operating conditions on site, planned holes covering a number of possible high-grade vein continuity targets could not be completed and have been deferred until weather conditions improve.*

*The larger drill meterage originally planned is ultimately needed to ensure sufficient drilling is undertaken to potentially intersect any high-grade vein targets below the influence of near-surface weathering and to demonstrate vein continuity between the former Silver Peak mine portals.*

*Nevertheless, fortunately, even with the curtailed programme we have successfully delineated very high-grade silver (5,270 g/t or 169.5 troy oz/t silver per Table 1 below) in the Victoria Vein at a vertical elevation approximately 150m lower than the exceptionally high-grade channel sampling intersections from the summer due diligence programme (up to 14,937 g/t or 480 troy oz/t silver per Table 2 below).*

*Whilst we will still need to complete the previously planned programme as explained above and undertake deep diamond drilling to establish continuities within the high-grade zones between the two sampling areas, these preliminary results are very encouraging.*

*We are working with our partners to finalise the next stage ground operations, including the above diamond drilling, which we expect will commence following the Spring thaw around March/April. We will communicate the updated exploration plan early in the new year."*

**TECHNICAL SUMMARY:**

- Assay results for the revised shallow drilling programme at Silver Peak Project have been received from ALS Laboratories in Vancouver, with further high-grade silver confirmed in the Victoria Vein. The samples were assayed using ALS's trace and Ore Grade Silver analytical packages (Ag-AA61, Ag-AA62 & Ag-GRA21), see results in Table 1 below.
- Drill hole SP2020-01 collared at the sub-vein west of the Lower Portal at an elevation of 1,634m intersected a rubbly vein zone between 1.52m to 1.83m which assayed 0.31m @ 5,270 g/t (169.5 troy oz/tonne) silver.
- The SP2020-01 intersection is very encouraging given it confirms high silver grades occur in the Victoria Vein system over at least 150m of vertical extent. Precious metal vein systems can often show a high degree of silver grade zonation in the vertical dimension.
- The revised drill programme consisted of 6 short diamond drill holes which were collared in close proximity to the bifurcating vein system around the Lower Victoria portal.

*(The Lower Portal is 158m vertically below the Upper Portal which was the subject of a channel sample programme which delineated bonanza grade silver up to 0.50m @ 14,937 g/t Ag, 3.05 % Cu & 11.95 % Pb as announced 22 September 2020).*

- Five other holes were collared in close proximity to other branches of the vein system with lower silver results (up to 7g/t Ag); however, these holes are considered inconclusive as core recovery was poor in these vein intersections due to the effects of near surface vein weathering.
- Chip samples from surface vein material and oxidised fracture zones around the Lower Portal also returned lower silver values (up to 8.4g/t Ag) indicating a high degree of zonation in the vein mineralisation.
- Tracing of the high-grade zones between the Upper Portal and Lower Portal will require further geological and structural mapping and mineralogical study in conjunction with the planned deep diamond drilling to assess the geological controls on the bonanza grade mineralisation.
- As announced on 10 November 2020 and 24 November 2020 due to issues with the tracked drill rig accessing the planned drill pads and due to the onset of winter conditions Power Metal's local partners undertook a smaller sampling programme employing man-portable drill equipment and surface sampling.

**Table 1: Silver Peak Portable Drill Sample Assay Results**

| Hole ID   | From (m) | To (m)        | Interval | Silver Grade (Ag ppm)<br>(by ALS assay method) |         |          |
|---|----------|---------------|----------|--|---------|----------|
|   |          |               |          | Ag-AA61  | Ag-AA62 | Ag-GRA21 |
| SP2020-01   | 1.52     | 1.83          | 0.31     | >100   | >1,500  | 5,270.00 |
| SP2020-02   | 0.00     | 0.43          | 0.43     | 0.60   |         |          |
| SP2020-02   | 0.43     | 0.53          | 0.10     | <0.5   |         |          |
| SP2020-02   | 0.53     | poor recovery |          | 0.60   |         |          |
| SP2020-02   | 2.60     | poor recovery |          | 1.80   |         |          |
| SP2020-03   | 2.74     | poor recovery |          | 2.90   |         |          |
| SP2020-04   | 0.30     | poor recovery |          | 7.00   |         |          |
| SP2020-05   | 1.50     | poor recovery |          | 5.10   |         |          |
| SP2020-06   | 1.22     | poor recovery |          | 1.30   |         |          |
| <i>All Holes drilled to circa 3.66m (12ft). Poor sample recovery in weathered rock and vein material resulted in inconclusive interval widths</i> |          |               |          |  |         |          |

**Table 2: Summary of Assay Results for Power Metal Due Diligence Sampling on Victoria Vein, Silver Peak Project (as announced 22 September 2020)**

| ALS Global Analytical Method | Ag-GRA22                         | Ag-CON01        | Cu-OG46          | Pb-OG46        |                |
|------------------------------|----------------------------------|-----------------|------------------|----------------|----------------|
| <b>Sample ID</b>             | <b>Channel Sample Length (m)</b> | <b>Ag (ppm)</b> | <b>Ag (ppm)#</b> | <b>Cu (%)*</b> | <b>Pb (%)*</b> |
| SP20-001                     | 0.50                             | >10,000         | 10,718           | 2.14           | 2.99           |
| SP20-002                     | 0.50                             | 6,010           |                  | 1.71           | 2.87           |
| SP20-003                     | 0.50                             | 7,530           |                  | 1.57           | 2.07           |
| SP20-004                     | 0.60                             | 5,540           |                  | 1.38           |                |
| SP20-005                     | 0.70                             | 7,880           |                  | 1.94           | 3.16           |
| SP20-006                     | 0.50                             | >10,000         | 14,937           | 3.05           | 11.95          |
| SP20-007                     | 0.80                             | 5,330           |                  | 1.26           |                |
| SP20-008                     | 0.55                             | 1,595           |                  | 1.78           |                |
| SP20-009                     | 0.45                             | 4,110           |                  | -              |                |
| SP20-010                     | 0.65                             | 1,755           |                  | 1.71           |                |
| SP20-011                     | N/A Grab sample                  | 660             |                  | -              |                |

\* Cu and Pb results rounded to two decimal places.

# Two over limit silver samples were analysed >10,000 ppm Ag by method Ag-GRA22 were reanalysed using method Ag-CON01.

## **FURTHER INFORMATION**

### **Silver Peak Project**

The Silver Peak Project consists of a portfolio of mineral claims (the “claims”) over a system of high grade, intrusion related, polymetallic Ag-Pb-Zn-Cu veins, part of the historical Eureka-Victoria Silver Mine, at Silver Peak in southern British Columbia, Canada.

### **Power Metal Earn-In**

On 14 September 2020 the Company announced the exercise of an option agreement announced 17 August 2020 (the “Earn-In”) in respect of the Silver Peak Project, gaining the right to earn-in to a 30% interest in the Project.

The full terms of the Earn-In were outlined in the 14 September 2020 announcement, and included a CAD\$250,000 Exploration Commitment within the 12 months of the option exercise. To date Power Metal has paid CAD\$141,048 of this Exploration Commitment with CAD\$108,952 (circa £63,000) remaining and due by 17 August 2021.

### **COMPETENT PERSON STATEMENT**

The technical information contained in this disclosure has been read and approved by Mr Nick O'Reilly (MSc, DIC, MIMMM, MAusIMM, FGS), who is a qualified geologist and acts as the Competent Person under the AIM Rules - Note for Mining and Oil & Gas Companies. Mr O'Reilly is a Principal consultant working for Mining Analyst Consulting Ltd which has been retained by Power Metal Resources PLC to provide technical support.

The information contained within this announcement is considered to be inside information prior to its release, as defined in Article 7 of the Market Abuse Regulation No.596/2014 and is disclosed in accordance with the Company's obligations under Article 17 of those Regulations.

**For further information please visit <https://www.powermetalresources.com/> or contact:**

Power Metal Resources plc

Paul Johnson (Chief Executive Officer)

+44 (0) 7766 465  
617

SP Angel Corporate Finance (Nomad and Joint Broker)

Ewan Leggat/Charlie Bouverat

+44 (0) 20 3470  
0470

SI Capital Limited (Joint Broker)

Nick Emerson

+44 (0) 1483 413  
500

First Equity Limited (Joint Broker)

David Cockbill/Jason Robertson

+44 (0) 20 7330  
1883

**Notes to Editors:**

Power Metal Resources plc (LON:POW) is an AIM listed metals exploration and development company seeking a large scale metal discovery.

The Company has a global portfolio of project interests including precious metal exploration in North America and Australia together with base metal exploration in Africa. Project interests range from early stage greenfield exploration to later stage prospects currently subject to drill programmes.

The Board and its team of advisors have expertise in project generation, exploration and development and have identified an opportunity to utilise the Company's position to become a leader in the London market for investors wishing to gain exposure to proactive global metals exploration.