

26 May 2021

Power Metal Resources plc ("POW", "Power Metal" or the "Company")

Interim Results

Power Metal Resources plc the AIM listed metals exploration and development company is pleased to announce its unaudited interim results for the six months ended 31 March 2021.

Statement by Paul Johnson, Chief Executive Officer:

"In the six months ended 31 March 2021 we have pushed the Power Metal business to explore extensively across its project portfolio with, in our view, some excellent and very fortunate findings. We are seeking large scale metal discoveries with the emphasis on plural as we believe our portfolio is capable of delivering a number of discoveries.

Junior resource exploration is a high-risk endeavour, so investors in Power Metal rightly expect the potential for outsized returns that come with discoveries and to achieve them requires proactivity and investment in exploration.

Since October 2020 we have invested in exploration work in every single project we hold an interest in including three separate drill programmes across interests in Botswana, Canada and Tanzania. There are more planned drill campaigns in the coming months.

Notable exploration successes announced to date include the identification of extensive anomalies from the Kalahari Copper Belt, Botswana (held in JV with Kavango Resources plc), significant nickel drill intersections from Molopo Farms Complex Project, Botswana, and bonanza grade silver from the Silver Peak Project, Canada. These are by no means the only successes and as noted above we have been very fortunate with early exploration success across our portfolio.

Notwithstanding the exploration progress being made, and our search for large scale metal discoveries, we are also running a commercial enterprise that has to balance the books and generate working capital to fund its operations.

We recognise the value of the London capital markets providing access to additional finance and that is one of the principal reasons junior resource companies list. That said we are also looking to build our working capital organically through targeted growth in our investment portfolio and the spin-out of certain projects into their own listed vehicles.

Financial strength for a junior exploration company is important and as at 21 May 2021 Power Metal had working capital of circa £2.57 million, representing cash and listed company investments. This robust working capital figure was notwithstanding the material expenditure on exploration and corporate development in the half year ended 31 March 2021.

We seek size and scale in our business through metal discoveries in district scale exploration and innovative corporate activity. To do this we have recognised the need to build our operational team and now have an in-house Exploration Manager, Investor Relations Manager and Corporate Spin-Out Management. The expanded team is intensively engaged on delivering growth in our business through our project portfolio.

I would like to thank the board and Power Metal team for their determined dedication to our business objectives. The support we receive from our advisor network continues to be first rate and needs to be as Power Metal is a proactive company.

As always, and never to be left unsaid, I thank our shareholders for their support and commitment to the Power Metal business and its ambitions. It is easy to be ordinary, yet we have no such desire, and with the support of our shareholders we aim to make Power Metal a stand-out performer demonstrating how an ambitious, determined junior resource company can deliver.”

Power Metal Interests at today’s date:

Country	POW %	Project	Resources Targeted
Australia	49.9%	Victoria Goldfields	Gold
Australia	75% ⁽¹⁾	Paterson Province	Copper – Gold
Botswana	50.8% ⁽²⁾	Molopo Farms Complex	Nickel – Copper – Platinum Group Metals (PGMs)
Botswana	50%	Kalahari Copper Belt	Copper – Silver
Botswana	50%	Ditau Camp	Rare Earth Elements
Canada	30%	Silver Peak	Silver
Canada	100%	Schreiber-Hemlo Projects	Gold – Nickel
The DRC	70%	Kisinka	Copper – Cobalt
Tanzania	35%	Haneti	Nickel – Copper – PGMs – Gold – Lithium
USA	Earn-in up to 75%	Alamo Gold	Gold

⁽¹⁾ Conditional agreement to acquire First Development Resources (Pty) Ltd.

⁽²⁾ 50.8% reflects effective economic interest including 40% direct project interest and 10.8% indirect interest through shareholding in project holding company Kalahari Key Mineral Exploration Pty Ltd

Operational Highlights

In the Half Year to 31 March 2021:

Australia

- Further development of the Australian Gold Joint Venture focused on the Victoria Goldfields including notably the grant of the first three exploration licences announced in February 2021, a further two licences in March 2021 and the commencement of ground exploration across the granted licence ground.
- Option Agreement announced in January 2021 to acquire First Development Resources Pty Limited with interests in two copper-gold properties in the Paterson Province Eastern Pilbara, Western Australia. (Note this Agreement was subsequently superseded in April 2021 as outlined below).

Botswana

- Drilling commenced in October 2020 at the Molopo Farms Complex Project in Botswana with a 2,500m diamond drill programme targeting nickel sulphide and platinum group metal (“PGM”). By half year end 3 holes were complete with results sent for assay testing. Mineralogical studies confirmed the presence of nickel sulphides in drill core.

- Exploration work undertaken across the Botswana Joint Venture with Kavango Resources plc (LON:KAV) at the South Ghanzi (Kalahari Copper Belt), targeting copper-silver and the Ditau Project, targeting rare earth elements.

Canada

- A 500m diamond drill programme was launched in October 2020 at the Silver Peak Project in British Columbia, Canada, but access challenges and weather conditions led to a change in plans with a man-portable drill rig being used instead to undertake a shortened drill programme. Results announced December 2020 showed high grade silver and demonstrated mineralised vein continuity, with the full drilling programme planned to recommence in 2021.
- Acquisition of 7 exploration properties in the Schreiber-Hemlo region of Ontario.

The Democratic Republic of the Congo (The DRC)

- High grade copper and cobalt values announced November 2020 from assay testing on the 2020 pitting, mapping and sampling undertaken at the Kisinka Project in the DRC, which led to the commencement of ground geophysics in December 2020 to delineate targets for drilling.

Tanzania

- A rotary air blast drill programme commenced in December 2020 at the Haneti Nickel Project, held in joint venture with Katoro Gold plc (LON:KAT), to provide information leading into a subsequent planned diamond drill programme targeting nickel sulphide and Platinum Group Metals.

USA

- Exploration fieldwork undertaken at the Alamo Gold Project in Arizona USA, as announced in December 2020.

After 31 March 2021:

- The Rotary Air Blast drilling programme results from the Haneti Nickel PGM Project were announced in April 2021 and confirmed the move to deep diamond drilling;
- Assay results released in April 2021 from hole K1-6 at the Molopo Farms Complex Project in Botswana, confirming significant nickel intersections and later that month the Company confirmed the completion of its earn-in to a 40% direct project interest;
- Extensive exploration work continued at the Australian Gold Joint Venture in the Victoria Goldfields granted licences and a further update covering this was provided in April 2021, together with confirmation of a further two licence grants later that month;

- A conditional acquisition of First Development Resources Pty Limited was announced in April 2021, with a revised acquisition structure and now including 5 licence interests in the Paterson Province, East Pilbara, Western Australia;
- The Company announced the creation of a new resource project incubator subsidiary in May 2021, Power Capital Investments Limited;
- In May 2021, the Company announced the Kisinka Project in the DRC saw prominent magnetic highs identified from ground geophysics, and an intention to drill at Kisinka following completion of preparatory exploration work. In addition, confirmation was received that the project had been awarded a 25-year Production Licence;
- An Option agreement was announced in May 2021 allowing for the acquisition of a 100% interest in two exploration licences in the Tati Greenstone Belt, Botswana, targeting gold and nickel;
- In May 2021 positive findings were announced from the South Ghanzi Project in the Kalahari Copper Belt, Botswana, with extensive anomalies identified including 7 airborne electromagnetic targets for follow up geochemical sampling and drill testing; and
- As at 21 May 2021, Power Metal's working capital comprising cash and listed investments amounted to circa £2.57 million, providing a robust underlying financial position for ongoing operations.

Financial Highlights for the Half Year Ended 31 March 2021:

- Loss for the period, attributable to owners of the parent of £0.59 million (2020: £0.24 million), resulting in a loss per share of 0.07 pence (2020: 0.05 pence);
- Warrant exercises during the period raised £2,692,474 for the Company; and
- Net assets of £4.6 million at the period end (30 September 2020: £2.4 million).

This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("MAR"), and is disclosed in accordance with the Company's obligations under Article 17 of MAR.

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

Power Metal Resources plc

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Notes to Editors:

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

The Company has a global portfolio of project interests including precious and base metal exploration in North America, Africa and Australia. 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.

POWER METAL RESOURCES PLC
UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 31 MARCH 2021

	Note	6 months ended 31-Mar-21 (unaudited) £'000	6 months ended 31-Mar-20 (unaudited) £'000	Year ended 30-Sep-20 (audited) £'000
Revenue		17	-	9
Gross profit		17	-	9
Operating expenses		(660)	(316)	(835)
Impairment		-	-	(970)
Fair value gains through profit or loss		66	60	415
Loss from operating activities		(594)	(256)	(1,390)
Finance expense		-	-	-
Share of post-tax losses of equity accounted joint ventures		(30)	-	(33)
Loss before taxation		(607)	(256)	(1,414)
Taxation		-	-	-
Loss for the period from continuing operations		(607)	(256)	(1,414)
Items that will or may be reclassified to profit or loss				
Exchange translation		18	(13)	(2)
Total other comprehensive expense		18	(13)	(2)
Total comprehensive expense for the period		(589)	(269)	(1,416)
Loss for the period attributable to:				
Owners of the parent		(589)	(246)	(1,381)
Non-controlling interests		(18)	(10)	(33)
		(607)	(256)	(1,414)
Total comprehensive expense attributable to:				
Owners of the parent		(571)	(260)	(1,349)
Non-controlling interests		(18)	(9)	(67)

Loss per share from continuing operations attributable to the ordinary equity holder of the parent:

Basic and diluted (pence)	4	(0.07)	(0.05)	(0.25)
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POWER METAL RESOURCES PLC
UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

	Note	31-Mar-21 (unaudited) £'000	31-Mar-20 (unaudited) £'000	30-Sep-20 (audited) £'000
Assets				
Intangible assets		156	1,126	156
Investments in associates and joint ventures		366	-	284
Financial assets at fair value through profit or loss		2,157	388	1,208
Property, plant & equipment		3	-	-
Non-current assets		2,682	1,514	1,648
Trade and other receivables		155	282	110
Cash and cash equivalents		1,967	289	913
Current assets		2,122	571	1,023
Total assets		4,804	2,085	2,671
Equity				
Share capital	5	7,608	7,023	7,286
Share premium		17,400	13,705	14,910
Shares to be issued		-	-	22
Capital redemption reserve		5	5	5
Share based payments reserve		1,287	1,197	1,286
Foreign exchange reserve		89	25	71
Accumulated losses		(21,518)	(19,776)	(20,911)
		4,871	2,179	2,669
Non-controlling interests		(293)	(217)	(275)
Total equity		4,578	1,962	2,394

Liabilities

Trade and other payables

226

123

161

Deferred consideration

-

-

116

Current liabilities

226

123

277

Total liabilities

226

123

277

Total equity and liabilities

4,804

2,085

2,671

POWER METAL RESOURCES PLC
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 31 MARCH 2021

	Share capital £'000	Share premium £'000	Share s to be issued £'000	Capital redem ption reserv e £'000	Share based paym ent reser ve £'000	Excha nge reser ve £'000	Accum ulated losses £'000	Total £'000	Non- contro lling intere sts £'000	Total Equit y £'000
Balance at 1 October 2020 (audited)	7,286	14,910	22	5	1,286	71	(20,911)	2,669	(275)	2,394
Loss for the period	-	-	-	-	-	-	(607)	(607)	(18)	(625)
Total other comprehensiv e expense	-	-	-	-	-	18	-	18	-	18
Total comprehensi ve expense for the period	-	-	-	-	-	18	(607)	(589)	(18)	(607)
Issue of ordinary shares	322	2,510	(22)	-	-	-	-	2,810	-	2,810
Cost of share issues	-	(20)	-	-	-	-	-	(20)	-	(20)
Share-based payments	-	-	-	-	1	-	-	1	-	1
	322	2,490	(22)	-	1	-	-	2,791	-	2,791
Balance at 31 March 2021 (unaudited)	7,608	17,400	-	5	1,287	89	(21,518)	4,871	(293)	4,578

POWER METAL RESOURCES PLC
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 31 MARCH 2020

	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Share based payment reserve £'000	Exchange reserve £'000	Accumulated losses £'000	Total £'000	Non-control ling interests £'000	Total Equity £'000
Balance at 1 October 2019 (audited)	6,843	13,228	5	1,195	39	(19,530)	1,780	(208)	1,572
Loss for the period	-	-	-	-	-	(246)	(246)	(10)	(256)
Total other comprehensive expense	-	-	-	-	(14)	-	(14)	1	(13)
Total comprehensive expense for the period	-	-	-	-	(14)	(246)	(260)	(9)	(269)
Issue of ordinary shares	180	582	-	-	-	-	762	-	762
Cost of share issues	-	(105)	-	-	-	-	(105)	-	(105)
Share based payments	-	-	-	2	-	-	2	-	2
	180	477	-	2	-	-	659	-	659
Balance at 31 March 2020 (unaudited)	7,023	13,705	5	1,197	25	(19,776)	2,179	(217)	1,962

POWER METAL RESOURCES PLC
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2020

Share capital £'000	Share premium £'000	Shares to be issued £'000	Capital redemption reserve £'000	Share based payment reserve £'000	Exchange reserve £'000	Accumulated losses £'000	Total £'000	Non-control ling interests £'000	Total Equity £'000
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Balance at 1 October 2019 (audited)	6,843	13,228	-	5	1,195	39	(19,530)	1,780	(208)	1,572
Loss for the year	-	-	-	-	-	-	(1,381)	(1,381)	(33)	(1,414)
Total other comprehensive expense	-	-	-	-	-	32	-	32	(34)	(2)
Total comprehensive expense for the period	-	-	-	-	-	-	(1,381)	(1,349)	(67)	(1,416)
Issue of ordinary shares	443	1,768	22	-	-	-	-	2,233	-	2,233
Cost of share issues	-	(86)	-	-	-	-	-	(86)	-	(86)
Share- based payments	-	-	-	-	91	-	-	91	-	91
	443	1,682	22	-	91	-	-	2,238	-	2,238
Balance at 30 September 2020 (audited)	7,286	14,910	22	5	1,286	71	(20,911)	2,669	(275)	2,394

POWER METAL RESOURCES PLC
UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 31 MARCH 2021

	6 months ended 31-Mar-21 (unaudited) £'000	6 months ended 31-Mar-20 (unaudited) £'000	Year ended 30-Sep-20 (audited) £'000
Cash flows from operating activities			
Loss for the period	(607)	(256)	(1,414)
Adjustments for:			
- Fair value adjustment	3	(60)	(415)
- Share of post-tax losses of equity accounted joint ventures	29	-	33
- Expenses financed by shares	-	147	267
- Share based payment expense	1	2	91
- Foreign exchange differences	-	(14)	(2)
- Impairment of intangible assets	-	-	970
	(574)	(181)	(470)
Changes in working capital:			
- Trade and other receivables	(45)	(253)	(78)
- Trade and other payables	65	61	95
Net cash used in operating activities	(554)	(373)	(453)
Cash flows from investing activities			
Purchase of intangibles	(3)	-	-
Investment in financial assets at fair value through profit or loss	(228)	(19)	(504)
Investment in Joint Ventures	(951)	-	(201)
Proceeds from investment disposals	-	-	20
Net cash used in investing activities	(1,182)	(19)	(685)
Cash flows from financing activities			
Proceeds from issue of share capital	2,810	615	1,965
Issue costs	(20)	(105)	(85)
Net cash flows from financing activities	2,790	510	1,880
Net increase in cash and cash equivalents	1,054	118	742
Cash and cash equivalents at beginning of period	913	171	171
Cash and cash equivalents at end of period	1,967	289	913

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT

1. Reporting entity

Power Metal Resources plc is a company domiciled in the United Kingdom. The unaudited consolidated interim financial report of the Group as at and for the period ended 31 March 2021 comprises the results of the Company and its subsidiaries. The Group primarily is involved in the exploration and exploitation of mineral resources in Australia, Botswana, Cameroon, the DRC and Tanzania.

2. Basis of preparation

(a) Statement of compliance

As permitted, IAS 34, 'Interim Financial Reporting' has not been applied in this interim report.

The financial information presented in this interim report has been prepared using accounting policies that are expected to be applied in the preparation of the financial statements for the year ending 30 September 2021.

These policies are in accordance with the recognition and measurement principles of International Financial Reporting Standards, International Accounting Standards and Interpretations (collectively IFRS) issued by the International Accounting Standards Board as endorsed for use in the United Kingdom, and these principles are disclosed in the Financial Statements for the year ended 30 September 2020.

The interim results have been prepared on a going concern basis. The financial information in this interim report does not constitute statutory accounts within the meaning of Section 435 of the Companies Act 2006. The 2021 interim financial report has not been audited.

The Annual Report and Financial Statements for 2020 have been filed with the Registrar of Companies. The Independent Auditors' Report on the Annual Report and Financial Statement for 2020 was unqualified and did not contain a statement under 498(2) or 498(3) of the Companies Act 2006.

The interim results were approved by the Board of Directors on 25 May 2021.

(b) Judgements and estimates

Preparing the interim financial report requires Management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this consolidated interim financial report, significant judgements made by Management in applying the Group's accounting policies and key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 30 September 2020.

(c) Going concern

The interim financial report has been prepared on a going concern basis. Although the Group's assets are not generating revenues, an operating loss has been reported for the reporting period and an operating loss is expected to be incurred in the 12 months subsequent to the date of this report, the Directors believe, having considered all available information, including the existing working capital and the Company's proven ability to raise further equity funds from its supportive shareholder base, that the Group will have sufficient funds to meet its expected committed and contractual expenditure for the foreseeable future. Thus, the Directors continue to adopt the going concern basis of accounting in preparing the interim financial report for the period ended 31 March 2021.

3. Significant accounting policies

The accounting policies applied by the Group in this consolidated interim financial report are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 30 September 2020.

4. Loss per share

Basic and diluted loss per share

The calculation of basic and diluted loss per share is based on the loss attributable to ordinary shareholders of the parent of £589,000 (2020: £246,000), and a weighted average number of ordinary shares in issue of 896,967,375 (2020: 482,714,754).

5. Issues of Equity

In October 2020, 34,458,800 new Ordinary shares of 0.1 pence each in the Company ("Ordinary Shares") were issued in relation to warrant exercises; 3,000,000 were exercised at a price of 0.75 pence per share, 6,250,000 were exercised at a price of 0.70 pence per share and 25,208,800 were exercised at a price of 1.0 pence per share.

In November 2020, 17,334,600 new Ordinary Shares were issued in relation to warrant exercises; 10,000,000 were exercised at a price of 0.70 pence per share and 7,334,600 were exercised at a price of 1.0 pence per share.

In December 2020, 83,381,600 new Ordinary Shares were issued in relation to warrant exercises; 2,500,000 were exercised at a price of 0.75 pence per share, 60,000,000 were exercised at a price of 0.70 pence per share and 20,881,600 were exercised at a price of 1.0 pence per share.

In January 2021, 133,787,597 new Ordinary Shares were issued in relation to warrant exercises; 50,999,997 were exercised at a price of 0.75 pence per share, 17,500,000 were exercised at a price of 0.70 pence per share and 65,287,600 were exercised at a price of 1.0 pence per share.

On 19 January 2021, the company issued 1,000,000 new Ordinary Shares in lieu of Option Agreement fee for Australia Copper-Gold acquisition at a price of 3.0 pence per share.

On 21 January 2021, the company issued 1,152,233 new Ordinary Shares in lieu of Option Agreement fee for Canadian Gold Exploration Properties at a price of 3.0 pence per share.

In February 2021, 47,200,558 new Ordinary Shares were issued in relation to warrant exercises; 6,000,000 were exercised at a price of 0.50 pence per share, 5,263,158 were exercised at a price of 0.75 pence per share, 3,500,000 were exercised at a price of 0.70 pence per share and 32,437,400 were exercised at a price of 1.0 pence per share.

On 18 February 2021, the company issued 960,000 new Ordinary Shares in lieu of Option Agreement fee for Mckellar Property at a price of 3.0 pence per share.

On 24 February 2021, the company issued 576,000 new Ordinary Shares in lieu of Option Agreement fee for Coco East Property at a price of 3.0 pence per share.

On 25 February 2021, the company issued 960,000 new Ordinary Shares in lieu of Option Agreement fee for Ontario Gold Property at a price of 3.0 pence per share.

In March 2021, 1,000,000 new Ordinary Shares were issued in relation to a warrant exercise, at a price of 0.70 pence per share.

As at the period end and at the date of this interim report, the Company had 1,137,877,930 Ordinary Shares in issue (30 September 2020: 816,066,542).

****Ends****