

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or as to what action you should take, you are recommended to seek your own personal financial advice from an independent financial adviser authorised and regulated under the Financial Services and Markets Act 2000 (as amended).

If you have sold or otherwise transferred, or you sell or otherwise transferred, all of your Ordinary Shares in Power Metal Resources plc, please send this Document together with the accompanying Form of Proxy at once to the purchaser or transferee or to the stockbroker, bank or other agent through or by whom the sale or transfer was or is effected, for onward delivery to the purchaser or transferee, except that such documentation should not be sent into the United States.

Power Metal Resources plc



(incorporated and registered in England and Wales with registered number 07800337)

Notice of General Meeting

Proposed Reduction of Share Capital Cancellation of Deferred Shares and Deferred A Shares Market Purchase of Ordinary Shares

This document should be read as a whole. Your attention is drawn to the letter from the Chairman which recommends that you vote in favour of the resolutions to be proposed at the General Meeting.

Notice of a General Meeting of Power Metal Resources plc to be held at 11:00 a.m. on 30 March 2022 is set out at the end of this Document. Shareholders will find attached to this Document a Form of Proxy for use at the General Meeting. To be valid, the attached Form of Proxy, completed in accordance with the instructions thereon, should be returned to Share Registrars Limited at 3 Millennium Centre, Crosby Way, Farnham, Surrey, GU9 7XX as soon as possible but in any event to be received not later than 11:00 a.m. on 28 March 2022 or 48 hours before any adjourned meeting. Proxy votes can also be submitted through CREST.

For full details on proxy appointments, see the notes to the Notice of General Meeting and accompanying Form of Proxy.

Copies of this document are available from the Company's registered office from the date of this document until the date of the General Meeting. This document will also be available for download from the Company's website, <https://www.powermetalresources.com>.

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INDICATIVE TIMETABLE OF PRINCIPAL EVENTS

Publication date of this document	3 March 2022
Latest time and date for receipt of Forms of Proxy	11:00 a.m. on 28 March 2022
General Meeting	11:00 a.m. on 30 March 2022
Court directions hearing	May 2022 ¹
Court hearing to confirm the Capital Reduction	June 2022
Registration of Court Order and effective date of the Capital Reduction	July 2022 ²

If any details contained in the timetable above should change, the revised times and dates will be notified by means of an announcement through a Regulatory News Service.

Notes:

1. The indicative timings for the Court hearings are subject to change and dependent on the Court's timetable.
2. This date will depend on, amongst other things, the date on which the Court confirms the Capital Reduction.

IMPORTANT INFORMATION

TIME AND PLACE OF MEETING

Notice is given that the General Meeting of the Shareholders, to which this Notice of General Meeting relates, will be held at 11:00 a.m. on 30 March 2022 at Suite 24 Temple Chambers, 3-7 Temple Avenue, London, England, EC4Y 0DT.

SHAREHOLDER ATTENDANCE, VOTING AND PROXY APPOINTMENT

Following the easing of coronavirus (COVID-19) restrictions in the UK, it is expected that shareholders will be able to attend the General Meeting in person this year. However, in light of the uncertainty as to any further COVID-19 measures that may be put in place by the UK Government, the Company encourages shareholders to consider submitting their voting instructions in advance by appointing the Chairman of the meeting as their proxy, rather than attending and voting on the day. This will ensure that votes are registered in accordance with shareholders' wishes regardless of any restrictions or disruption around the General Meeting and will also help protect the health and safety of shareholders and directors.

Proxy votes may be sent by e-mail to voting@shareregistrars.uk.com or by mail, using the reply-paid envelope to: The Company Secretary, Power Metal Resources Plc, c/o Share Registrars Limited, 3 Millennium Centre, Crosby Way, Farnham, Surrey, GU9 7XX. In either case, the signed proxy must be received no later than 48 hours (excluding non-business days) before the time of the meeting or any adjournment thereof (to be received by 11:00 A.M. on 28 March 2022).

Shareholders are also encouraged to register any questions in advance of the General Meeting by submitting these to: shareholders@powermetalresources.com. Questions will be responded to individually and any areas of significant shareholder interest will be addressed with answers on the Company's website as soon as practicable following the AGM.

If you are a shareholder who is entitled to attend and vote at the meeting, you are entitled to appoint one or more proxies to exercise all or any of your rights to attend, speak and vote at this meeting and you should have received a proxy form with this notice of meeting. A proxy does not need to be a shareholder of the company but must attend the meeting to represent you. You may appoint more than one proxy provided each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. To appoint more than one proxy, contact the company secretary. You will need to state clearly on each proxy form the number of shares in relation to which the proxy is appointed. Failure to specify the number of shares to which each proxy appointment relates or specifying a number in excess of those held by the shareholder will result in the proxy appointment being invalid. If you wish your proxy to speak on your behalf at the meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.

You can only appoint a proxy using the procedures set out in these notes and the form of proxy must be completed and submitted in accordance with the instructions thereon. It is emphasised that any forms of proxy being returned via a postal service should be submitted as soon as possible to allow for any delays to or suspensions of postal services in the United Kingdom as a result of measures being implemented by the Government of the United Kingdom. Shareholders are able to appoint the Chairman of the Meeting as your proxy. This is the simplest way to expedite the voting process and will enable the Chairman of the Meeting to vote on your behalf, and in accordance with your instructions, at the General Meeting.

The Record Date (being the date that persons eligible to vote at the General Meeting are registered Shareholders) is 11:00 a.m. on 28 March 2022.

Shareholders wishing to vote on the Resolutions must do so through attendance at the General Meeting or completion of a proxy form appointing a proxy or proxies, which can be submitted to the Company's Registrar. Proxy forms should be completed and returned in accordance with the instructions thereon and the latest time for the receipt of proxy forms is 11:00 a.m. on 28 March 2022. Proxy votes can be also be submitted by CREST.

Forms of Proxy received later than the specified time will be invalid.

In order for instructions made using the CREST voting service to be valid, the appropriate CREST message (a "CREST Voting Instruction") must be properly authenticated in accordance with Euroclear's specifications and

must contain the information required for such instructions, as described in the CREST Manual (available via www.euroclear.com/CREST).

To be effective, the CREST Voting Instruction must be transmitted so as to be received by the Company's agent, Share Registrars Limited no later than 11:00 a.m. on 28 March 2022. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the CREST Voting Instruction by the CREST applications host) from which the Company's agent is able to retrieve the CREST Voting Instruction by enquiry to CREST in the manner prescribed by CREST.

DEFINITIONS

The following definitions apply throughout this Circular and in the Form of Proxy unless the context otherwise requires:

"Act" or the "Companies Act"	the Companies Act 2006;
"AIM"	the AIM market operated by the London Stock Exchange;
"AIM Rules"	the AIM Rules for Companies (including the guidance notes) as published by the London Stock Exchange from time to time;
"Board" or "Directors"	the board of directors of the Company from time to time;
"Capital Redemption Reserve"	the capital redemption reserve of the Company;
"Chairman"	the Chairman of the Board from time to time;
"Circular" or "Document"	this document;
"Company" or "Power Metals Resources plc"	Power Metal Resources plc, incorporated in England and Wales with registered number 07800337 whose registered office is at 201 Temple Chambers, 3-7 Temple Avenue, London, England, EC4Y 0DT;
"Court"	the High Court of Justice of England and Wales;
"Court Hearing"	the hearing before the Court of the Company's application to confirm the cancellation of its share premium account and cancellation of the deferred shares;
"Deferred Shares"	the 356,848,594 deferred shares of £0.009 each in the capital of the Company;
"Deferred A Shares"	The 3,271,746,363 deferred A shares of £0.00099 each in the capital of the Company;
"General Meeting" or "Meeting"	the meeting of the Company to be held at 11:00 a.m. on 30 March 2022, or any adjournment thereof, notice of which is set out at the end of this Document;
"Notice"	the notice of the General Meeting set out at the end of this Document;
"Ordinary Shares"	ordinary shares of £0.001 each in the capital of the Company;

“Resolutions”

the resolutions set out in the Notice;

“Shareholders”

holders of Ordinary Shares;

“Share Premium Account”

the share premium account of the Company; and

“£” and **“p”** and **“GBP”** and
“pence”

the legal tender of the United Kingdom from time to time.

**LETTER FROM THE CHAIRMAN
of
POWER METAL RESOURCES PLC**

(incorporated in England & Wales with registration number 07800337)

Registered Office:
201 Temple Chambers
3-7 Temple Avenue
London, England
EC4Y 0DT

3 March 2022

Directors:

Paul Johnson	Chief Executive Officer
Scott Richardson Brown	Non-Executive Director
Edmund Shaw	Non-Executive Director

To the holders of Ordinary Shares and, for information only, to the holders of deferred shares, share options and warrants:

**PROPOSED REDUCTION OF SHARE CAPITAL VIA A CANCELLATION OF THE COMPANY'S
SHARE PREMIUM ACCOUNT, CAPITAL REDEMPTION RESERVE, DEFERRED SHARES AND
DEFERRED A SHARES**

INTRODUCTION

For some time now the Directors have been aware that the capital structure of the Company has evolved in a way which is inappropriate for the business going forward. Under the current structures, the Company would need to generate profits in excess of £20,000,000 million before it was able either to pay a dividend or return cash to shareholders in other ways. The Directors are proposing to modify the Company's share structure to enable investors to obtain returns on their shareholdings without having to wait until retained earnings of in excess of £20,000,000 million have been generated.

At the date of this letter, the Company has in issue 1,466,953,915 Ordinary Shares of £0.001 each, together with 356,848,594 Deferred Shares of £0.009 each and 3,271,746,363 Deferred A Shares of £0.00099 each. Over the years, the Ordinary Shares have been issued at varying prices, which gave rise to a Share Premium of £21,871,195 as at 25 February 2022. The Company's Capital Redemption Reserve currently stand at £5,324, following the repurchase and cancellation of 532,438,356 Ordinary Shares on 18 January 2018.

Since the Company's formation, it has accumulated retained losses of £20,940,005 as at 25 February 2022 and is likely to continue to have made losses after that date. As a consequence, were matters to be left as they are currently, the Company would need to generate profits in excess of £20,000.000 million before it was able either to pay a dividend or return cash to shareholders in other ways.

The Directors believe the large level of these accumulated losses is detrimental to the interests of Shareholders and hence are looking at means of improving the Shareholders' position.

PROPOSED REDUCED CAPITAL STRUCTURE

As mentioned above a company is permitted to reduce its share capital by the Act (Chapter 10). The reduction in its capital can then be offset against the Share Premium Account and the Capital Redemption Reserve. The Directors accordingly propose to cancel the entire Share Premium Account and the Capital Redemption Reserve as at the date of the court hearing and to cancel all of the Deferred Shares of £0.009 each and Deferred A Shares of £0.00099 each, which were a necessary by-product of the reduction and consolidation in the nominal value of the Ordinary Shares which were taken by the Company as follows:

- on 7 September 2015, the nominal value of the Ordinary Shares was reduced from £0.01 to £0.001;
- on 27 December 2017, the nominal value of the Ordinary Shares was further reduced from £0.001 to £0.00001; and
- on 28 August 2018, the Ordinary Shares were consolidated from £0.00001 to £0.001.

The effect of this, and the offset of the deficit on distributable reserves mentioned above is to reduce the Share Premium Account and Capital Redemption Reserve to nil.

The effect of these proposals is set out below:-

	£
Accumulated Losses at 25 February 2022	£20,940,005
Cancellation of Deferred Shares	£3,211,637
Cancellation of Deferred A Shares	£3,239,029
Offset of Share Premium A/c at 30 September 2021	£18,475,800
Offset of Capital Redemption Reserve as at 30 September 2021	£5,324
Premium created on further shares issued since 30 September 2021	£3,395,395
Premium created of further shares issued in December	
Resultant Distributable Reserves surplus	£7,387,180

ACTION TO BE TAKEN

A form of proxy for your use at the General Meeting is enclosed. If you are not going to attend the General Meeting and wish to vote on the resolutions you are requested to complete the form in accordance with the instructions printed on it and return it to Share Registrars Limited, 3 Millennium Centre, Crosby Way, Farnham, Surrey, GU9 7XX, as soon as possible, but in any event, to arrive no later than 11:00 a.m. on 28 March 2022. Proxy votes can also be submitted through CREST.

RECOMMENDATION

The Directors, having consulted with the Company's nominated advisor, SP Angel Corporate Finance, consider that the proposed cancellation of the Company's Share Premium Account, Capital Redemption Reserve, Deferred Shares and Deferred A Shares is fair and reasonable insofar as the Shareholders are concerned. Accordingly, the Directors unanimously recommend that Shareholders vote in favour of the Resolutions, as they intend to do so in respect of their aggregate beneficial holdings of 90,000,000 Ordinary Shares, representing 6.39% of the Company's issued Ordinary Shares.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'S. Richardson Brown', written in a cursive style.

Scott Richardson Brown
*Interim Chairman & Non Executive
Director*

Company Number: 07800337

**NOTICE OF GENERAL MEETING
of
POWER METAL RESOURCES PLC
(the “Company”)**

NOTICE is hereby given that a General Meeting of Power Metal Resources plc will be held at 11:00 a.m. on 30 March 2022 at 201 Temple Chambers, 3-7 Temple Avenue, London, England, EC4Y 0DT for the purpose of considering and, if thought fit, passing the following the following resolutions which will be proposed as special resolutions.

Special Resolutions

1. THAT, subject to the confirmation of the court, the share premium account of the Company be cancelled;
2. THAT, subject to the confirmation of the court, the capital redemption reserve of the Company be cancelled;
3. THAT, subject to the confirmation of the court, the existing 356,848,594 Deferred Shares of £0.009 each in the capital of the Company be cancelled and extinguished;
4. THAT, subject to the confirmation of the court, the existing 3,271,746,363 Deferred A Shares of £0.00099 each in the capital of the Company be cancelled and extinguished;
5. THAT, the Company be authorised generally and unconditionally to make market purchases (within the meaning of section 693(4) of the Companies Act 2006) of ordinary shares of £0.001 each, provided that:
 - (a) the maximum aggregate number of ordinary shares that may be purchased is 100,000,000 ordinary shares of the Company as at the date of the market purchase;
 - (b) the minimum price (excluding expenses) which may be paid for each ordinary share is 1.5 pence;
 - (c) the maximum price (excluding expenses) which may be paid for each ordinary share is to be no higher than 5.0 pence;
 - (d) the authority conferred by this resolution shall expire on the earlier of 15 months from the passing of this resolution or at the conclusion of the Company's next general meeting save that the Company may, before the expiry of the authority granted by this resolution, enter into a contract to purchase ordinary shares which will or may be executed wholly or partly after the expiry of such authority; and
 - (e) the directors may hold any such ordinary shares in Treasury and are then entitled to resell the same, satisfy the issue of new ordinary shares or cancel any such ordinary shares so acquired

By Order of the Board

ONE Advisory Limited

One Advisory Limited
Company Secretary

Registered Office:
201 Temple Chambers
3-7 Temple Avenue
London
EC4Y 0DT

Notes:*Entitlement to vote*

1. In accordance with regulation 41 of the Uncertificated Securities Regulations 2001, entitlement to attend and vote at the meeting and the number of votes which may be cast thereat will be determined by reference to the register of members of the Company 48 hours before the time appointed for the meeting or any adjournment thereof. Changes to entries on the Register of Members after that time shall be disregarded in determining the rights of any person to attend and vote at the meeting.
2. In the case of joint holders the vote of the person first named in the register of members of the Company tendering a vote will be accepted to the exclusion of the votes of the other joint holders.

Appointment of Proxies

3. If you are a member of the Company at the time set out in note 2 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the General Meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the Form of Proxy. A proxy does not need to be a shareholder of the Company but must attend the meeting to represent you. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.
4. Details of how to appoint the Chairman of the General Meeting as your proxy using the Form of Proxy are set out in the notes to the Form of Proxy.
5. To be effective, the Form of Proxy, completed and signed, and any power of attorney or other authority under which it is signed or a notarially certified copy of such power or authority, must be lodged at the office of the Company's registrars at 3 Millennium Centre, Crosby Way, Farnham, Surrey, GU9 7XX by 11:00 a.m. on 28 March 2022. In the case of a shareholder which is a company, this proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.
6. To direct your proxy how to vote on the resolutions, mark as appropriate on the Form of Proxy. To abstain from voting on a resolution, select the relevant "Vote withheld" option. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. You may not appoint more than one proxy to exercise rights attached to any one share.
7. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting (and any adjournment of the meeting) by following the procedures described in the CREST Manual available on the website of Euroclear UK and Ireland Limited ("Euroclear") at www.euroclear.com. CREST Personal Members or other CREST sponsored members (and those CREST members who have appointed a voting service provider) should refer to their CREST sponsor or voting service provider, who will be able to take the appropriate action on their behalf. In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message (regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy) must, in order to be valid, be transmitted so as to be received by Share Registrars Limited, (whose CREST ID is 7RA36), by 11:00 a.m. on 28 March 2022.
8. Any alterations made to the Form of Proxy should be initialled.

Termination of proxy appointments

9. In order to revoke a proxy instruction, you will need to inform the Company using one of the following methods:
 - (a) By sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to the Company's registrars at 3 Millennium Centre, Crosby Way, Farnham, Surrey, GU9 7XX. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.
 - (b) In either case, the revocation notice must be received by Share Registrars Limited no later than 48 hours (excluding non-business days) prior to the Meeting.
10. If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.
11. Appointment of a proxy does not preclude you from attending the meeting and voting in person. If you have appointed a proxy and attend the Meeting in person, your proxy appointment will automatically be terminated.

Issued shares and total voting rights

12. As at 24 February 2022, the Company's total number of shares with voting rights in the Company is 1,466,953,915 ordinary shares.

