

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in doubt about the contents of this document or about the action you should take you should consult immediately your stockbroker, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000.

If you have sold or transferred all of your Existing Ordinary Shares in Power Metal Resources PLC, please send this document, together with the accompanying Form of Proxy, to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee.

Application will be made for the New Ordinary Shares arising from the Share Consolidation to be admitted to trading on AIM. It is expected that admission will become effective and that dealings in the New Ordinary Shares will commence at 8:00 a.m. on 27 March 2024.

Power Metal Resources PLC

*(Incorporated and registered in England and Wales with company number 07800337)
(the '**Company**')*

Circular for Proposed Share Consolidation

and

Notice of General Meeting

Date of Meeting:	26 March 2024
Time of Meeting:	11:00 a.m. (Greenwich Mean Time)
Venue:	Temple Chambers, 3-7 Temple Avenue, London, EC4Y 0DT

CONTENTS

	Page
Expected timetable of principal events	2
Definitions	3
Letter from the Chairman	5
Notice of General Meeting	8

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Circular posted to Shareholders	1 March 2024
Latest time and date for receipt of Forms of Proxy	11:00am on 22 March 2024
General Meeting	26 March 2024
Record Date for the Share Consolidation	6:00pm on 26 March 2024
Expected date on which New Ordinary Shares will be admitted to trading on AIM	8:00am on 27 March 2024
Expected date on which CREST accounts credited with New Ordinary Shares	27 March 2024
Expected date by which definitive new share certificates are to be despatched	Week commencing 8 April 2024

The Company's SEDOL code is BYWJZ74 and ISIN code is GB00BYWJZ743. Following the Share Consolidation, the Company's new SEDOL code will be BMFSSJ7 and its new ISIN code will be GB00BMFSSJ73.

DEFINITIONS

In this document and in the accompanying Form of Proxy, the following words and expressions shall, except where the context requires otherwise, have the following meanings:

“Act”	the Companies Act 2006
“Admission”	the admission of the New Ordinary Shares to trading on AIM becoming effective in accordance with the AIM Rules
“AIM”	the market operated by the London Stock Exchange
“AIM Rules”	the rules applicable to AIM companies, as published by the London Stock Exchange from time to time
“Articles”	the articles of association of the Company
“Board” or “Directors”	the board of directors of the Company
“Business Day”	means a day (other than a Saturday or Sunday) on which banks are generally open in London for the transaction of normal business
“certificated” or “in certificated form”	the description of a share or other security which is not in uncertificated form (that is, not in CREST)
“Power” or “the Company”	Power Metal Resources PLC
“CREST”	the relevant system (as defined in the CREST Regulations) for the paperless settlement of share transfers and the holding of shares in uncertificated form operated by Euroclear UK & International Limited
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001 No.1/3755) (as amended)
“Existing Ordinary Shares”	the existing ordinary shares of 0.1 pence each in the Company in issue at the date of this document
“General Meeting” or “GM”	the General Meeting of the Company to be held at Temple Chambers, 3-7 Temple Avenue, London, EC4Y 0DT at 11:00 am on 26 March 2024, notice of which is set out at the end of this document
“Form of Proxy”	the form of proxy for use by Shareholders in connection with the General Meeting enclosed with this document
“Fractional Shareholder”	has the meaning ascribed to that expression in paragraph 3 of the letter from the Chairman on page 6 of this document
“London Stock Exchange”	London Stock Exchange plc
“New Ordinary Shares”	the new ordinary shares of 2p each in the Company arising on consolidation of the Existing Ordinary Shares
“Optionholders”	holders of options over Existing Ordinary Shares
“OTC”	Over-the-counter
“Record Date”	18:00 hours on 26 March 2024 (or such other time and date as the Directors may determine)

“Resolution”	the resolution to be proposed at the GM as set out in the Notice of GM at the end of this document
“Share Consolidation”	the proposed consolidation of the Company’s ordinary share capital resulting in every 20 Existing Ordinary Shares being consolidated into 1 New Ordinary Share
“Shareholder”	a holder of Existing Ordinary Shares
“Shareholding”	a holding of Existing Ordinary Shares
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“USA”	The United States of America
“uncertificated” or “in uncertificated form”	recorded on the relevant register of the share concerned as being held in uncertified form in CREST, and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
”Warrants”	warrants for Existing Ordinary Shares issued by the Company
“Options”	options for Existing Ordinary Shares issued by the Company

LETTER FROM THE CHAIRMAN

Power Metal Resources PLC

(Incorporated and registered in England and Wales with company number 07800337)

Scott James Richardson Brown
Douglas William Brodie Good
Edmund Charles Frederick Shaw
Sean Edward Wade

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

1 March 2024

To Shareholders and, for information only, to Optionholders

Dear Shareholder

PROPOSED SHARE CONSOLIDATION

1. INTRODUCTION

The Company is proposing to implement a consolidation of the Company's ordinary share capital on the basis of 1 New Ordinary Share of 2p for every 20 Existing Ordinary Shares of 0.1p each. The purpose of this document is to provide you with information about the background to and reasons for the proposed Share Consolidation, to explain why the Board considers the Share Consolidation to be in the best interests of the Company and its Shareholders as a whole, and why the Directors recommend that you vote in favour of the Resolutions to be proposed at the General Meeting, notice of which is set out at the end of this document.

2. BACKGROUND TO AND REASONS FOR THE PROPOSED SHARE CONSOLIDATION

As at 29 February 2024 (being the latest practicable date prior to the publication of this document), the Company had 2,213,468,324 Existing Ordinary Shares in issue. With shares of low denominations, small absolute movements in the share price can represent large percentage movements resulting in volatility. The Board also believes that the bid-offer spread on shares priced at low absolute levels can be disproportionate to the share price and therefore to the detriment of Shareholders.

The Board is of the view that it would benefit the Company and Shareholders to reduce the number of Existing Ordinary Shares in issue with a resulting adjustment in the market price of such shares, by consolidating the Existing Ordinary Shares on the basis of 1 New Ordinary Share of 2p for every 20 Existing Ordinary Shares of 0.1p each. This is expected to assist in reducing the volatility in the Company's share price and enable a more consistent valuation of the Company, making the Company's shares more attractive to institutional shareholders.

It is also anticipated that the Company will make an application for its shares to be traded on the OTC market in the USA. It is expected that this should improve liquidity in the New Ordinary Shares.

3. DETAILS OF THE PROPOSED SHARE CONSOLIDATION

Upon implementation of the Share Consolidation, Shareholders on the register of members of the Company on the Record Date, which is expected to be 6pm hours on 26 March 2024, will exchange every 20 Existing Ordinary Shares they hold for 1 New Ordinary Share. The proportion of the issued ordinary share capital of the Company held by each Shareholder following the Share Consolidation will, save for fractional entitlements and subject to the exercise of share options and warrants, be unchanged. To effect the Share Consolidation it may be necessary to issue such minimum number of additional Existing Ordinary Shares (not exceeding 20 in total) so that the aggregate nominal value of the ordinary share capital of the Company is exactly divisible by 20.

It is therefore proposed that in order to facilitate the Share Consolidation, 16 new Existing Ordinary Shares will be issued to SP Angel Corporate Finance LLP so that, prior to the Share Consolidation, the Company's issued share capital will be exactly divisible by 20. These new Existing Ordinary Shares will be issued at market value

and sold to the market along with the aggregation of any fractional entitlements at the best price reasonably obtainable for the Company.

The Share Consolidation will result in an adjustment to the number of existing Warrants and Options. As of 29 February 2024, there were 495,666,136 existing Warrants and 172,500,000 existing Options. After the Share Consolidation which will exchange every 20 Existing Ordinary Shares for 1 New Ordinary Share there will be 24,783,307 outstanding Warrants and 8,625,000 outstanding Options.

Other than the change in nominal value, the New Ordinary Shares arising on implementation of the Share Consolidation will have the same rights as the Existing Ordinary Shares, including voting, dividend and other rights. All other classes of shares in the Company are unaffected by the Share Consolidation.

No Shareholder will be entitled to a fraction of a New Ordinary Share and where, as a result of the consolidation of Existing Ordinary Shares described above, any Shareholder would otherwise be entitled to a fraction of a New Ordinary Share in respect of their holding of Existing Ordinary Shares at the Record Date (a **"Fractional Shareholder"**), such fractions shall be aggregated with the other fractions of New Ordinary Shares to which other Fractional Shareholders of the Company may be entitled so as to form full New Ordinary Shares and sold in the market. The costs, including the associated professional fees and expenses, that would be incurred in distributing such proceeds are likely to exceed the total net proceeds distributable to such Fractional Shareholders. The Board is therefore of the view that, as a result of the disproportionate costs in such circumstances, it would not be in the Company's best interests to distribute such proceeds of sale and the proceeds will instead be retained for the benefit of the Company in accordance with the Resolution. Furthermore, any shareholders holding fewer than 20 Existing Ordinary Shares as at 6:00 pm on the Record Date will cease to be a shareholder of the ordinary shares in the Company. The minimum threshold to receive New Ordinary Shares will be 20 Existing Ordinary Shares.

If you hold a share certificate in respect of your Existing Ordinary Shares in the Company, your certificate will no longer be valid from the time the proposed Share Consolidation becomes effective. If you hold 20 or more Existing Ordinary Shares on the Record Date you will be sent a new share certificate evidencing the New Ordinary Shares to which you are entitled under the Share Consolidation. Such certificates are expected to be despatched no later than week commencing 8 April 2024. The certificates will be despatched by 1st class post, at the risk of the shareholder. Upon receipt of the new certificate, you should destroy any old certificates. Pending the despatch of the new certificates, transfers of certificated New Ordinary Shares will be certified against the Company's share register.

If you hold your Existing Ordinary Shares in uncertificated form, you should expect to have your CREST account credited with the New Ordinary Shares to which you are entitled on implementation of the Share Consolidation on 27 March 2024 or as soon as practicable after the Share Consolidation becomes effective.

Following the Share Consolidation, the Company's new SEDOL code will be BMFSSJ7 and its new ISIN code will be GB00BMFSSJ73.

4. ADMISSION TO AIM

The Share Consolidation is conditional upon permission being granted by the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM. Application for such Admission will be made so as to enable the New Ordinary Shares to be admitted to trading on AIM as soon as practicable following the Record Date. It is expected that Admission will become effective at 8:00 a.m. on 27 March 2024 whereupon the Share Consolidation will be effective.

5. EFFECTS OF THE PROPOSED SHARE CONSOLIDATION ON SHARE OPTIONS AND WARRANTS

The rules of existing share options and warrants provide that in the event of any consolidation or sub-division of the share capital of the Company, then the number of shares subject to an option or warrant instrument and the exercise price payable on exercise of an option may be adjusted by the Board in such manner and with effect from such date as the Board may determine to be appropriate subject to the written confirmation of the auditors of the Company that the adjustments are, in their opinion, fair and reasonable.

The effect of these provisions will be that, following the Share Consolidation, the number of shares subject to any option held under share options will decrease broadly to one twentieth of their number prior to consolidation whilst the price payable for the exercise of each option will increase broadly by a multiple of 20. Likewise, the number of warrants will decrease broadly to one twentieth in number, and the price will increase broadly by a

multiple of 20. There should, therefore, subject to the relevant consents, be no material alteration to the current potentially dilutive effects of the options granted under share options. Notice of the adjustments to the options will be sent to individual Optionholders as soon as reasonably practicable following the Share Consolidation.

6. TAXATION

The following statements are intended only as a general guide to the current tax position under UK taxation law and practice. They relate only to certain limited aspects of the UK tax position of Shareholders who are the beneficial owners of Existing Ordinary Shares and who are resident or (in the case of individuals) ordinarily resident in the UK for tax purposes and who hold their shares in the Company beneficially as an investment (and not as securities to be realised in the course of a trade). The following is not, and is not intended to be, an exhaustive summary of the tax consequences of acquiring, holding and disposing of Existing Ordinary Shares or New Ordinary Shares. A Shareholder who is in any doubt as to his or her tax position or is subject to tax in any jurisdiction other than the UK should consult his or her duly authorised professional adviser without delay.

The proposed Share Consolidation should constitute a reorganisation of the Company's share capital and, for the purposes of UK taxation of chargeable gains, to the extent that you receive New Ordinary Shares under the proposed Share Consolidation, you should not be treated as making a disposal of any of your Existing Ordinary Shares or an acquisition of New Ordinary Shares. The New Ordinary Shares will be treated as the same asset as, and as having been acquired at the same time and for the same aggregate cost as, the holding of Existing Ordinary Shares from which they derive.

No liability to stamp duty or stamp duty reserve tax will be incurred by a holder of Existing Ordinary Shares as a result of the proposed Share Consolidation.

7. GENERAL MEETING

In order to give effect to the Share Consolidation, approval by Shareholders in a general meeting is needed. You will therefore find set out at the end of this document a notice convening the General Meeting to be held at Temple Chambers, 3-7 Temple Avenue, London, EC4Y 0DT on 26 March 2024 at 11:00 a.m. (GMT) at which the following Resolution will be proposed:

to consolidate every 20 Existing Ordinary Shares into 1 New Ordinary Share and to, amongst other things, authorise the Directors to sell any New Ordinary Shares arising from the aggregation of fractional entitlements at the best price then reasonably obtainable and to retain the net proceeds of sale for the benefit of the Company;

To be passed, the resolution requires a simple majority of those voting in favour in person or on a poll.

8. ACTION TO BE TAKEN

A Form of Proxy is enclosed for use by Shareholders at the General Meeting. If you are a Shareholder, you are requested to complete, sign and return the Form of Proxy, whether or not you intend to be present at the meeting, and return it to Share Registrars Limited, 3 The Millennium Centre, Crosby Way, Farnham, Surrey GU9 7XX. The completion and return of a Form of Proxy will not prevent you from attending the meeting and voting in person should you subsequently wish to do so.

9. RECOMMENDATION

The Directors consider that the proposed Share Consolidation is in the best interests of the Company and its Shareholders as a whole.

Accordingly, the Directors unanimously recommend that you vote in favour of the Resolutions being proposed at the General Meeting, as they intend to do or procure to be done in respect of their own and their connected persons' beneficial holdings.

Yours faithfully

Scott Richardson Brown
Non-Executive Chairman

Power Metal Resources PLC

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a General Meeting of the Company will be held at 11:00 am (GMT) on 26 March 2024 at Temple Chambers, 3-7 Temple Avenue, London, EC4Y 0DT for the purposes of considering and, if thought fit, passing the resolutions set out below.

ORDINARY RESOLUTIONS

1. That all of the ordinary shares of 0.1p each in the capital of the Company be consolidated into ordinary shares of 2p each on the basis of 1 new ordinary share of 2p each for every 20 existing ordinary shares of 0.1p each, each such new ordinary share having the rights and being subject to the restrictions set out in the Company's articles of association, provided that any fractions of ordinary shares of 0.1p each to which any holder of ordinary shares would otherwise be entitled arising from such consolidation shall be aggregated and consolidated so far as is possible into ordinary shares of 2p each and sold for the benefit of the Company. Fractional entitlements will not be paid to individual shareholders. For the purposes of implementing the provisions of this paragraph the Board may appoint any other person to execute sales, transfers or renunciations on behalf of persons otherwise entitled to such fractions and generally may make all arrangements which appear to them to be necessary or appropriate for the settlement and disposal of new ordinary shares representing such fractions.

By Order of the Board

ONE Advisory Limited
Company Secretary
1 March 2024

Registered office:

201 Temple Chambers, 3-7 Temple Avenue, London, England, EC4Y 0DT.

Registered in England and Wales with company number 07800337.

NOTES TO THE NOTICE OF GENERAL MEETING (GM)

Entitlement to Attend and Vote at the GM

1. The Company specifies that only those members registered on the Company's register of members at 11:00 a.m. (London time) on 22 March 2024 or if this general meeting is adjourned, at 11:00 a.m. on the day two business days prior to the adjourned meeting shall be entitled to attend and vote at the General Meeting.

Proxy Voting – General

2. If you are a Shareholder of the Company at the time set out in Note 1 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the meeting. You can only appoint a proxy using the procedures set out in these notes. You can appoint the Chair of the meeting as your proxy or another person of your choice. Your proxy does not need to be a member of the Company but must attend the meeting to represent you.
3. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share.
4. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).
5. Appointment of a proxy does not preclude you from attending the general meeting and voting in person. If you do vote in person at the meeting, that vote will override any votes previously submitted in respect of those shares.
6. 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 a resolution. If you do not select a voting option, your proxy may vote or abstain from voting at their discretion.

Proxy Voting – Procedures

7. To be valid proxy votes must be received by 11:00 a.m. on 22 March 2024, or if the meeting is adjourned, 48 hours (excluding any part of a day that is not a working day) before the adjourned meeting (**Proxy Vote Closing Time**).
8. The Company's Registrar is Share Registrars Limited. Their contact details are:
 - Tel: +44 (0) 1252 821390. Lines are open from 9:00 am to 5:00 pm (UK time) Monday to Friday (excluding public holidays in England and Wales).
 - Address: 3 The Millennium Centre, Crosby Way, Farnham, Surrey GU9 7XX.
 - Email: enquiries@shareregistrars.uk.com
9. You may lodge your proxy vote in one of the following ways:
 - To vote by post, please follow the instructions in Notes 10 and 11.
 - To vote electronically, please follow the instructions in Note 12.
 - CREST members may vote using the CREST system. Please follow the instructions in Notes 13 to 16.
10. Hard copy proxies must be completed in accordance with the instructions printed on them and returned to the Company's Registrars, 3 The Millennium Centre, Crosby Way, Farnham, Surrey GU9 7XX (together with any necessary authority documentation) to be received no later than the Proxy Vote Closing Time. The power of attorney or other written authority, if any, under which it is signed or an office or notarially certified copy or a copy certified in accordance with the Powers of Attorney Act 1971 of such power and written authority, must be delivered with the completed proxy form.
11. If you need a replacement hard proxy copy form, you may request this directly from the Company's Registrars. Please see the Registrar's contact details in Note 8.

12. As an alternative to submitting a hard copy proxy form, you may submit your proxy electronically by visiting www.shareregistrars.uk.com, clicking on the "Proxy Vote" button and then following the on-screen instructions. For an electronic proxy appointment to be valid, your appointment must be received no later than the Proxy Vote Closing Time.
13. CREST members may vote by utilising the CREST electronic proxy appointment service in accordance with the procedures set out below.
14. 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 using the procedures described in the CREST Manual (available from www.euroclear.com). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
15. 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 UK & International Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent Share Registrars (whose CREST ID is 7RA36) by the Proxy Vote Closing Time. For this purpose, the time of receipt will be taken to mean the time (as determined by the timestamp applied to the message by the CREST application host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
16. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & International Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

Proxy Voting – Changes and Revocations

17. To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also applies in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded. Where you have appointed a proxy using the hard-copy proxy form and would like to change the instructions using another hard-copy proxy form, please contact Share Registrars using the contact details in Note 8 above. 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.
18. In order to revoke a proxy instruction you will need to inform the Company. You must telephone the Registrar using the contact details in Note 8 above. 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. The revocation notice must be received by the Registrar no later than the Proxy Vote Closing Time. If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to Note 5 above, your proxy appointment will remain valid.

Corporate Representatives

19. A corporation which is a member can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises power over the same share.
20. Corporate representatives must produce a signed corporate representative letter from the shareholder in suitable form at the GM together with photographic identification to verify they are the representative referred to in the letter.

Share Capital

21. As at the close of business on the day immediately before the date of this Notice of General Meeting, the Company's issued share capital comprised 2,213,468,324 ordinary shares of nominal value 0.1 pence each. No shares are held in the Treasury. Each ordinary share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at close of business, on the day immediately before the date of this Notice of General Meeting are 2,213,468,324.

