



Power Metals Acquires Prospective Lithium Projects Adjacent to Existing Deposits and Discoveries

VANCOUVER, BRITISH COLUMBIA--(Marketwired - April 20, 2017) - Power Metals Corp. ("Power Metals Corp." or the "Company") (TSX VENTURE:PWM)(FRANKFURT:OAA1) is pleased to announce the acquisition of two new prospective lithium assets in Canada and to provide an update to shareholders on the Company's planned Spin-Out of its hard rock lithium properties.

Paterson Lake

The Paterson Lake Property is located 75 km north of Kenora, northwestern Ontario in Paterson Lake. The Property is composed of 64 mining claims totaling 1198 ha and is approximately 15 km by 5 km in size.

The project is proximal to Avalon's Big Whopper pegmatite which is located about 3 km west of the western claim block and has a resource of 11.6 million tonnes at 1.34% Li₂O, 0.30% Rb₂O and 0.007% Ta₂O₅. This resource has a strike length of 600m to a maximum vertical depth of 250m and the lithium grades are consistent with a petalite content averaging about 25%.

Highlights include:

- **Over 50 exposures of pegmatite have been identified on the property.**
- **Twenty-nine drill holes intersected over 775m of pegmatite but only 12% was assayed for lithium.**
- **Both spodumene and petalite have been identified and are white in colour indicative of high quality lithium mineralization.**
- **The known petalite pegmatites on Exiro's property define three parallel 70 degrees trends which have not been fully explored.**
- **The Draven's Pegmatite, located immediately outside Exiro's northern property boundary intersected 1.82% Li₂O over 0.85m.**
- **Ten historical litho geochemistry anomalies have been identified on the property where two anomalies were drill tested and pegmatite was intersected. The majority of these anomalies have not been drill tested.**
- **Six historical enzyme leach anomalies were identified that overlap with the litho geochemistry anomalies providing further evidence of buried pegmatites. One of the enzyme leach anomalies was drill tested successfully intersecting the White Turtle Pegmatite Swarm and the J-Series Pegmatites at depth. The remaining five anomalies have not been drill tested.**



Gullwing - Tot Lake

The Gullwing - Tot Lake Property is located 30 km northeast of Dryden, northwestern Ontario in Webb township. The Property is composed of 76 mining claims totaling 1216 ha and is approximately 17 km by 1.5 km in size.

The Gullwing - Tot Lake pegmatites are located 13 km north east of International Lithium Corp's Mavis Lake - Fairservice pegmatites. International Lithium's partner Pioneer Resource Limited completed 12 drill holes totaling 1,305 m on March 2, 2017 on the Mavis Lake Property with drill highlights of 1.47 % Li₂O over 17.9 m and 1.70 % Li₂O over 26.3 m (International Lithium, press release dated April 11, 2017).

Highlights include:

- The Gullwing-Tot Pegmatite group, also known as the Lateral Lake Stock, has been identified as a east-northeast trending cluster of pegmatites extending 15km in length with a width ranging between 0.8 and 2.2 km. This pegmatite field remains largely unexplored for rare metals and practically unexplored for lithium.
- The Sleeping Giant pegmatite at Gullwing Lake contains rubidium and cesium with a drill hole intersection of 36.3m grading 0.135% Rb.
- The Tot Lake Pegmatite was drill tested intersecting up to 5.3m of pale yellow, green and pink spodumene but none of the spodumene bearing intersections were assayed for lithium.
- Dyke chip samples collected across two 9m long trenches on the Tot Lake Pegmatite contained an average grade of 1.0% Li₂O.
- More recent grab sampling confirmed a high degree of fractionation of the Tot Lake pegmatite with the presence of large pink spodumene crystals, pollucite and manganotantalite.

Johnathan More, Chairman of Power Metals states, "With the addition of these two exciting projects, we are even more excited about the dynamic company that will be created by the Spin-Out of Power Lithium and its suite of assets fitting our rigorous qualitative criteria. We are also confident that this move will be a bonus for the company by clarifying and streamlining its distinct business units. The creation of two separate entities from one should unlock significant value for our shareholders."

As previously announced on March 13th, 2017, Power Metals intends to Spin-Out its Hard Rock Lithium Assets and form a new public company. Power Metals intends to call the new company Power Lithium Corp. and has decided to list it on the Canadian Securities Exchange ("CSE"). The Company has begun the process of completing the Spin-Out through a Plan of Arrangement. This Spin-Out is intended to provide efficiencies in the new company by focusing on a targeted type of exploration which will maximize shareholder value of all the company's assets. Each shareholder of Power Metals Corp. will receive a new share of Power Lithium Corp. on a one for one basis. Power Lithium Corp. will hold the Case Lake and Larder River mineral property interests as well as the two newly optioned properties announced today. The Company will make further comments to the timing of the Spin-Out along with dates and specifics in the near future as all the filings are made. The Spin-Out and listing on the CSE will be subject to approval of the Power Metals shareholders, the B.C. Supreme Court, the TSX Venture Exchange and the CSE.



Transaction Terms

The Company can earn from the vendor a 100% interest in the Separation Lake and Gullwing-Tot properties in consideration of paying an aggregate of \$200,000, issuing \$300,000 worth of Power Metal's stock, and incurring \$300,000 of work on the properties, all over a two year period. In addition (i) upon a feasibility study being completed on a property, PWM will make an additional \$450,000 payment (in cash or shares at PWM's election); and (ii) Exiro will be entitled to a 0.5% NSR royalty on all production from the Properties.

Qualified Person

John F. Wightman, MSc. (Geology), P.Eng., FGAC, a qualified person, prepared the disclosures reports related to these projects. National Instrument 43-101 reports have not been prepared on these properties.

About Power Metals Corp.

Power Metals Corp is one of Canada's newest premier mining companies with a mandate to explore, develop and acquire high quality mining projects for minerals contributing to power. We are committed to building an arsenal of projects in both lithium and clean power fuels like uranium. We see an unprecedented opportunity to supply the staggering growth of the lithium battery industry.

ON BEHALF OF THE BOARD,

Johnathan More, Chairman and Director

Neither the TSX Venture Exchange nor its Regulation Service Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release. No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein.

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