

# Power Metals Completes Option Agreement for 100% Ownership of Paterson Lake and Gullwing-Tot Lakes Li-Cs-Ta Properties and Provides Corporate Update

VANCOUVER, BC, Dec. 24, 2020 /CNW/ - **Power Metals Corp.** ("**Power Metals Corp.**" or the "**Company**") (TSX-V: PWM)(FRANKFURT: OAA1)(OTC: PWRMF) is pleased to announce that it has entered into an amending agreement with Exiro Minerals Corp. regarding the remaining payments due by the Company to acquire the Paterson Lake and Gullwing-Tot Lakes properties.

To exercise the option to acquire the properties, the Company and Exiro Minerals have agreed that the remaining cash payment and share issuance due under the March 1, 2017 property option agreement (as amended) will be settled by the Company delivering 920,000 common shares of the Company. Exiro has agreed to accept equity in lieu of cash to complete the option agreement. Power Metals will own the two properties 100% upon shares payment. In addition (i) upon a feasibility study being completed on a property, Power Metals will make an additional \$450,000 payment (in cash or shares at Power Metals' election); and (ii) Exiro will be entitled to a 0.5% NSR royalty on all production from the Properties.

The amending agreement is subject to TSX Venture Exchange approval.

Paterson Lake Property is located within the Separation Rapids Greenstone Belt, north of Kenora, northwestern Ontario. Paterson Lake Property has Li-Cs-Ta mineralization with multiple petalite (Li ore mineral) and Ta-oxide pegmatites including Marko's Pegmatite and Jesse's Pegmatite (Power Metals press releases dated Oct. 29, 2018 and Nov. 28, 2018). Marko's pegmatite also contains pollucite (Cs ore mineral).

Power Metals has two lithium drill ready targets at Paterson Lake located along two parallel northeast-southwest petalite pegmatite trends:

1. Marko's pegmatite
2. Jesse's pegmatite

Highlights of Marko's pegmatite include:

- over 268 m strike length on surface
- 3.36 to 4.43 % Li<sub>2</sub>O range for 13 grab samples.
- 559 to 1398 ppm Ta range for 5 grab samples
- 19 historic drill holes on Power Metals' Paterson Lake Property
- historic drilling showed that there is both Lithium and Tantalum mineralization at depth on the Marko's pegmatite and it is not just one pegmatite dyke but two: Marko's and North Marko's.

Highlights of Jesse's pegmatite:

- discovered in June 2018 by Power Metals geologists
- consists of at least 4 parallel east-west trending dykes exposed on surface: North, Between North and Jesse's, Jesse's and South Dykes
- 190 m between North and South Dykes

- 1.01 to 3.26 % Li<sub>2</sub>O for 12 grab samples
- Up to 271 ppm Ta in grab samples

Gullwing-Tot Lakes Property located north of Dryden, northwestern Ontario also has Li-Cs-Ta mineralization with spodumene (Li ore mineral) and Ta-oxides in Gullwing Lake pegmatite and Tot Lake pegmatite. Tot Lake also contains pollucite (Cs ore mineral) (Power Metals press release Sept. 10, 2018).

The assay highlights from grab samples from Tot Lake pegmatite include:

- 4.58 % Li<sub>2</sub>O from quartz – spodumene core, sample 159056
- 2.62 % Li<sub>2</sub>O from quartz – spodumene core, sample 159057
- 1.68 % Li<sub>2</sub>O and 233 ppm Ta from pink spodumene pegmatite zone, sample 1590235
- 498 ppm Ta from albitized K-feldspar zone, sample 159238

The assay highlights from grab samples on the Gullwing North outcrop include:

- 6.78 % Li<sub>2</sub>O from pure spodumene sample, sample 159082
- 0.73 % Li<sub>2</sub>O from spodumene – albite – quartz sample, sample 159084
- 759 ppm Ta from large Ta-oxide crystals in albite unit, sample 159254

Power Metals completed 3 weeks of channel sampling and mapping on the Tot Lake pegmatite in the fall of 2020. Results are pending.

#### Further Corporate Update

On September 8, 2020, Power Metals announced that it entered into a Letter of Intent with Sinomine Resource Group Co., Ltd of Beijing, China whereby Sinomine will partner with Power Metals to further the exploration and development of Power Metals' Case Lake, Paterson Lake and Gullwing-Tot Lakes properties. Sinomine's goal is to find further cesium and lithium mineral resources for commercial mining other than its TANCO mine, Manitoba through a strategic partnership with Power Metals. The TANCO pegmatite has been mined for tantalum ore concentrates, pyroceramic spodumene (Li), pollucite (Cs) and rubidium since the late 1960's. Ongoing COVID-19 travel restrictions has delayed site visits by Sinomine personnel to Power Metals properties. We will provide an update to market once dates of travel will be allowed by the Province of Ontario.

#### Paterson Lake

Paterson Lake Property is located in Paterson Lake and Treelined Lake Areas, 60 km north of Kenora, NW Ontario close to the Ontario-Manitoba border. Paterson Lake Property is located within the Separation Rapids Greenstone Belt and hosts multiple petalite-bearing pegmatite dykes. The Property was optioned from Exiro Minerals Corp. in 2017 (Power Metals press release dated April 20, 2017). Avalon Advanced Materials Separation Rapids Lithium Project with 8.12 Mt at 1.37 % Li<sub>2</sub>O measured + indicated resources as of November 15, 2017 is located 1.2 km from the Paterson Lake Property (Avalon Advanced Materials website:

[http://www.avalonadvancedmaterials.com/projects/separation\\_rapids/](http://www.avalonadvancedmaterials.com/projects/separation_rapids/)).

#### Gullwing-Tot Lakes

Gullwing-Tot Lakes Property is located in Drope and Webb townships, 30 km northeast of Dryden, NW Ontario with excellent road access. Gullwing and Tot Lakes pegmatites contain spodumene. The Property was optioned from Exiro Minerals Corp. in 2017 (Power Metals press release dated April 20, 2017). The Property is located 5.5 km northeast of Essential Metals' Mavis Lake spodumene pegmatite field.

#### Quality Control

The grab samples were transported to SGS analytical lab, Lakefield, Ontario by Manitoulin Transport. SGS analytical lab in Lakefield, Ontario has ISO 17025 certification. Every 20 samples included one external quartz blank and one external lithium standard. The ore grade Li<sub>2</sub>O% was prepared by sodium peroxide fusion with analysis by ICP-OES with a detection limit of 0.002 % Li<sub>2</sub>O. A QA/QC review of the standards and blanks for this mapping program indicate that they passed and the assays are accurate and not contaminated.

#### Qualified Person

Julie Selway, Ph.D., P.Geo. supervised the preparation of the scientific and technical disclosure in this news release. Dr. Selway is the VP of Exploration for Power Metals and the Qualified Person ("QP") as defined by National Instrument 43-101. Dr. Selway is supervising the exploration program at Power Metals' Properties. Dr. Selway completed a Ph.D. on granitic pegmatites in 1999 and worked for about 3 years as a pegmatite geoscientist for the Ontario Geological Survey. Dr. Selway also has twenty-three scientific journal articles on pegmatites. A National Instrument 43-101 report has been prepared on Case Lake Property and filed on July 18, 2017.

#### **About Power Metals Corp.**

Power Metals Corp. is a diversified Canadian mining company with a mandate to explore, develop and acquire high quality mining projects. We are committed to building an arsenal of projects in both lithium and high-growth specialty metals and minerals. We see an unprecedented opportunity to supply the tremendous growth of the lithium battery and clean-technology industries. Learn more at [www.powermetalscorp.com](http://www.powermetalscorp.com)

ON BEHALF OF THE BOARD,

*Johnathan More, Chairman & Director*

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#### **Cautionary Note Regarding Forward-Looking Information**

*This press release contains forward-looking information based on current expectations, including the use of funds raised under the Offering. These statements should not be read as guarantees of future performance or results. Such statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from those implied by such statements. Although such statements are based on management's reasonable assumptions, Power Metals assumes no responsibility to update or revise forward-looking information to reflect new events or circumstances unless required by law.*

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*Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. These statements speak only as of the date of this press release. Actual results could differ materially from those currently anticipated due to several factors and risks including various risk factors discussed in the Company's disclosure documents which can be found under the Company's profile on [www.sedar.com](http://www.sedar.com).*

*This press release contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E the Securities Exchange Act of 1934, as amended and such forward-looking statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. The TSXV has neither reviewed nor approved the contents of this press release.*

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