

Power Metals Announces Agreement with Sinomine

VANCOUVER, BC, Dec. 21, 2021 /CNW/ - **Power Metals Corp.** ("**Power Metals**" or the "**Company**") (TSXV: PWM) (FRANKFURT: OAA1) (OTC: PWRMF) is pleased to announce that it has entered into an agreement (the "**Sinomine Agreement**") with Sinomine (Hong Kong) Rare Metals Resources Co Limited ("**Sinomine**") which provides for an equity financing and an agreement to negotiate an offtake agreement with Sinomine. The parties initially entered into a letter of intent in September 2020.

Founded in 1999, Sinomine Resource Group Co., Ltd., is a multi-billion dollar integrated international mining enterprise with a complete industrial chain. Sinomine succeeded in listing in Shenzhen Stock Exchange Market in China in 2014. Its main business covers three segments, the rare light minerals development (Li, Ce, Rb), geo-tech services and mining rights investment. Sinomine has been engaging in mining, R&D, producing and products marketing of lithium, cesium and rubidium resources around the world. It owns two operating copper mines in Africa. Sinomine is dedicated to providing high-quality services to the global mining enterprise as well as mining property acquisition, investment and commercialization.

Johnathan More, Chairman and Director of Power Metals commented, "This is a huge day for all shareholders of Power Metals. Sinomine is one of the largest producers of rare & light minerals products in the world and their partnership in developing our Case Lake Project will bring extensive value. In 2019, Beijing based Sinomine Resource Group acquired the historic TANCO Lithium Mine in Manitoba giving our newly formed partnership a well-situated processing facility for our lithium, cesium and tantalum. Sinomine's investment in our Company will fully and immediately be directed towards the advancement of Case Lake and their additional advisement at the board level is invaluable."

Wang Pingwei, Chairman and CEO of Sinomine commented, "Power Metals is a promising mining company with great potential in lithium, cesium and tantalum resources. Sinomine will work closely with Power Metal to develop together to achieve win-win relations, and eventually to make major breakthroughs in the field of rare & light minerals."

The equity financing will consist of subscription receipts to acquire 15 million units ("**Units**") of the Company at \$0.20 per subscription receipt (\$3,000,000). The Units will each consist of one common share of the Company and a three year share purchase warrant entitling the holder to acquire an additional common share at \$0.40 per share. Sinomine has committed to acquire half of the subscription receipts, which when converted will result in Sinomine holding approximately 5.7% (undiluted) of the outstanding shares of the Company. In conjunction with the financing, Sinomine will have the right to appoint a member to the Company's Board of Directors. Management and insiders of Power Metals will also be participating in the placement.

The Sinomine Agreement provides that the parties will enter into a mutually satisfactory offtake agreement ("**Offtake Agreement**") on all lithium, cesium and tantalum produced from the Company's Case Lake Property within three months of closing of the equity financing. The Subscription Receipts will convert to Units upon the Offtake Agreement being signed. If a mutually satisfactory Offtake Agreement is not signed those subscription receipts held by Sinomine will be cancelled and the remaining subscription receipts will be converted to Units.

On or concurrent with closing of the subscription receipt financing approximately \$660,000 of debt

held by company insiders will be converted into Units of the Company at \$0.20 per unit.

Case Lake

Case Lake Property is located in Steele and Case townships, 80 km east of Cochrane, NE Ontario close to the Ontario-Quebec border. The Property is 10 km x 9.5 km in size with 14 identified tonalite domes. The Case Lake pegmatite swarm consists of six spodumene dykes: North, Main, South, East and Northeast Dykes on the Henry Dome and the West Joe Dyke on a new tonalite dome. Case Lake Property consists of 556 cell claims in Steele, Case, Scapa, Pliny, Abbotsford and Challies townships, Larder Lake Mining Division. The Case Lake Property is owned 100% by Power Metals Corp.

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

ON BEHALF OF THE BOARD,

Johnathan More, Chairman & Director

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No securities regulatory authority has either approved or disapproved of the contents of this news release. The securities being offered have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or any state securities laws, and may not be offered or sold in the United States, or to, or for the account or benefit of, a "U.S. person" (as defined in Regulation S of the U.S. Securities Act) unless pursuant to an exemption therefrom. This press release is for information purposes only and does not constitute an offer to sell or a solicitation of an offer to buy any securities of the Company in any jurisdiction.


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.

Although the Company believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because the Company can give no assurance that they will prove to be correct. 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.

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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