Power Metallic Reports Lion Zone Recoveries of 98.9% Copper, 93.9% Palladium, 96.8% Platinum, 85% Gold and 88.9% Silver

19.01.2026 | CNW

from Initial Metallurgical Results as Reported by SGS Canada Inc.

Power Metallic Mines Inc. (the "Company" or "Power Metallic") (TSXV: PNPN) (OTCBB: PNPNF) (Frankfurt: IVV) Power Metallic is pleased to provide preliminary metallurgical results performed by SGS Canada Ltd[1] at its laboratories based in Quebec City, QC, and Lakefield, ON, from representative samples of Lion zone mineralization. An initial Lock Cycle Test returned a sulphide concentrate grading 25.8% Copper containing very high metal recoveries of Copper (98.9%), Palladium (93.9%), Platinum (96.8%), Gold (85.0%) and Silver (88.9%), exceeding Power Metallics most optimistic estimates for recovery prior to this test work.

As previously reported (initiation of metallurgical work news release October 16, 2025) the Cu mineralization at Lion is contained within coarse grained chalcopyrite and cubanite and Cu was expected to respond well to conventional sulphide concentration methods. These initial metallurgical tests were designed to determine the recovery potential of the PGEs, Au, Ag, and Ni.

The Lion deposit has two zones of mineralization defined by drilling, consisting of a High-Grade zone (HG) and a Low-grade Zone (LG). As reported on October 16, 2025, Power Metallic compiled a series of drill core reject material from the Lion deposit spatially representative of the known mineralization across strike and down plunge within the deposit (Figure 1). Three composites were prepared, HG (103 samples from 15 drill holes); LG (99 samples from 10 drill holes); and a Blended composite based on modelled volumes for Lion (Approx. 50/50 ratio).

Initial sulphide flotation concentration tests by SGS showed similar recovery characteristics for all 3 composites, and a decision was made by SGS to carry out a Locked Cycle Test (LCT) on the Blended Composite as representative of run-of-mine feed for conventional sulphide flotation. The LCT test is a laboratory scale flowsheet of a potential future mill circuit for the Lion deposit.

Results of the LCT showed abnormally high recovery (Table 1) of Cu, PGEs, Ag, and Au, with very good recovery of Ni. SGS's comment on the LCT stated:

"The test work, performed by SGS Canada Inc. at its Quebec Metallurgical Laboratory, demonstrates encouraging preliminary flotation performance and supports the potential suitability of the mineralization for a conventional flotation flowsheet.

The mineralization demonstrated a strong flotation response, with copper rougher recoveries ranging from 98-99%. Cleaner flotation upgraded the material to approximately 25% Cu, while precious metals consistently reported to the concentrate. Locked-cycle flotation testing produced a high-grade concentrate containing 25.8% Cu, 1.2% Ni, 4.83 g/t Au, 41.4 g/t Pd, 23.4 g/t Pt, and 159 g/t Ag, with robust recoveries for Cu (98.9%), Pd (93.9%), Pt (96.8%), and Ag (88.9%).

These results suggest potential opportunities for the transformation of the concentrate into value-added products, including advanced materials for various economic sectors such as battery and energy storage, electrification, clean energy, and advanced manufacturing."

[1] About SGS: SGS is the world's leading testing, inspection and certification company. SGS is recognized as the global benchmark for quality and integrity. With more than 99,500 employees, SGS operates a network of over 2,500 labs and business facilities combining the precision and accuracy that define Swiss companies to help organizations achieve the highest standards of quality, compliance and sustainability.

Element	Feed Grade	Concentrate Grade	Recovery (%)
Cu	3.42 %	25.80 %	98.9
Ni	0.20 %	1.20 %	77.1
Au	0.70 g/t	4.83 g/t	85.0
Pd	5.37 g/t	41.4 g/t	93.9
Pt	2.90 g/t	23.4 g/t	96.8
Ag	24.9 g/t	159 g/t	88.9

Table 1 Locked-Cycle Test on Lion Zone Blended Composite
Feed Grade, Concentrate Grade, and Recovery Summary

The abnormally high recoveries in this initial LCT confirms previous statements made by Power Metallic, based on mineralogical studies of metal deportment, that the Lion zone would be amenable to conventional sulphide concentration. These results exceed the expectations of Power Metallic's technical team. Previous reporting by Power Metallic on CuEqRec percent of in-situ intersection grades had calculated an 80% recovery of all metals. These results indicate those CuEqRec percent values greatly underestimated recoveries. Of added importance statements by SGS (see quote above) on the potential for added value processing open the door to even greater potential returns from treatment of Lion zone mineralization.

		Head Grade	Old Recovered Grade	Old Recovered CuEqRec	Met Recovered Grade	Met Recovered C
Cu - Copper	%	3.42 %	2.74 %	2.74 %	3.38 %	
Ni - Nickel	%	0.20 %	0.16 %	0.40 %	0.15 %	
Au - Gold	g/t	0.7	0.56	0.48 %	0.60	
Pd - Palladium	g/t	5.37	4.30	1.90 %	5.04	
Pt - Platinum	g/t	2.9	2.32	0.85 %	2.81	
Ag - Silver	g/t	24.9	19.92	0.20 %	22.14	
Total				6.57 %		

Table 2 - Impact of Old Recovery assumptions vs Met Recovery[2,3]

[2] Previously Used (Old) Copper Equivalent Rec Calculation (CuEqRec2)

Old CuEqRec represented CuEq calculated based on the following metal prices (USD): 2,360.15 $/oz Au, 27.98 $/oz Ag, 1,215.00 $/oz Pd, 1000.00 $/oz Pt, 4.00 $/lb Cu, 10.00 $/lb Ni and 22.50 $/lb Co., and a recovery grade of 80% for all commodities, consistent with comparable peers.

[3] Current Copper Equivalent Rec Calculation (CuEqRec[3])

Current CuEqRec will be calculated based on the following metal prices and recoveries (USD): 2,360.15 $/oz Au @ 85% Rec; 27.98 $/oz Ag @ 88.9% Rec; 1,215 $/oz Pd @ 93.9% Rec; 1,000 $/oz Pt @ 96.8% Rec; 4.00 $/lb Cu @ 98.9% Rec; 10.00 $/lb Ni @ 77.1% Rec, based on recoveries consistent with initial metallurgical testing.

Table 2 above provides the change in recovered metal grade from head grade ore based on the metallurgy result achieved by SGS's LCT. The Met Recovered CuEQRec shows a 18.2% improvement when compared to the Old Recovered CuEQRec. Using our currently assumed prices for commodities we see CuEQRec

contribution from base metals (copper, nickel) at 49% and 51% for precious metals (platinum, palladium, gold, silver). Go forward in future assay results Power Metallic will use the SGS's LCT recovery rates for copper equivalent assumptions.

Moving forward, Power Metallic will complete these initial conventional concentration test results and will provide a final report once this work is completed. Power Metallic is now examining the options for a Phase 2 study to investigate the creation of "value-added products" as suggested by SGS.

Qualified Person

Joseph Campbell, P.Geo, VP Exploration at Power Metallic, is the qualified person who has reviewed and approved the technical disclosure contained in this news release.

About Power Metallic Mines Inc.

Power Metallic is a Canadian exploration company focused on advancing the Nisk Project Area (Nisk-Lion-Tiger)-a high-grade Copper-PGE, Nickel, gold and silver system-toward Canada's next polymetallic mine.

On 1 February 2021, Power Metallic (then Chilean Metals) secured an option to earn up to 80% of the Nisk project from Critical Elements Lithium Corp. (TSX-V: CRE). Following the June 2025 purchase of 313 adjoining claims (~167 km²) from Li-FT Power and the staking of land in the Lion Zone area (100 km²) the Company now controls 313 km² and roughly 50 km of prospective basin margins.

Power Metallic is expanding mineralization at the Nisk and Lion discovery zones, evaluating the Tiger target, and exploring the enlarged land package through successive drill programs.

Beyond the Nisk Project Area, Power Metallic indirectly has an interest in significant land packages in British Columbia and Chile, by its 50% share ownership position in Chilean Metals Inc., which were spun out from Power Metallic via a plan of arrangement on February 3, 2025.

It also owns 100% of Power Metallic Arabia which owns 100% interest in the Jabul Baudan exploration license in The Kingdon of Saudi Arabia's JabalSaid Belt. The property encompasses over 200 square kilometres in an area recognized for its high prospectivity for copper gold and zinc mineralization. The region is known for its massive volcanic sulfide (VMS) deposits, including the world-class Jabal Sayid mine and the promising Umm and Damad deposit.

For further information on Power Metallic Mines Inc., please contact:
Duncan Roy, VP Investor Relations
416-580-3862
duncan@powermetallic.com

For further information, readers are encouraged to contact:
Power Metallic Mines Inc.
The Canadian Venture Building
82 Richmond St East, Suite 202
Toronto, ON

Cautionary Note Regarding Forward-Looking Statements

This message contains certain statements that may be deemed "forward-looking statements" concerning the Company within the meaning of applicable securities laws. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects," "plans,"

"anticipates," "believes," "intends," "estimates," "projects," "potential," "indicates," "opportunity," "possible" and similar expressions, or that events or conditions "will," "would," "may," "could" or "should" occur. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance, are subject to risks and uncertainties, and actual results or realities may differ materially from those in the forward-looking statements. Such material risks and uncertainties include, but are not limited to, among others; the timing for various drilling plans; the ability to raise sufficient capital to fund its obligations under its property agreements going forward and conduct drilling and exploration; to maintain its mineral tenures and concessions in good standing; to explore and develop its projects; changes in economic conditions or financial markets; the inherent hazards associates with mineral exploration and mining operations; future prices of nickel and other metals; changes in general economic conditions; accuracy of mineral resource and reserve estimates; the potential for new discoveries; the ability of the Company to obtain the necessary permits and consents required to explore, drill and develop the projects and if accepted, to obtain such licenses and approvals in a timely fashion relative to the Company's plans and business objectives for the applicable project; the general ability of the Company to monetize its mineral resources; and changes in environmental and other laws or regulations that could have an impact on the Company's operations, compliance with environmental laws and regulations, dependence on key management personnel and general competition in the mining industry.

SOURCE Power Metallic Mines Inc.