



## Power Metallic (TSXV:PNPN)

### FLASH NOTE

### SUMMARY

Additional results from the winter drill campaign hit the second-best intercept ever drilled at the Lion deposit (PML-26-095 intercepted 22.00m grading 11.46% CuEqRec). Overall, these results continue to de-risk Lion by improving grade continuity, supporting the plunge model, adding high-value near-surface material, and strengthening the case for a high-grade polymetallic resource in Q3 2026.

Exploration catalysts remain with over 25 assays coming to market over the next three months and both an MRE and PEA to follow later in 2026.

### News Release Highlights

- Even after adjusting for the company's estimated true width of 85% of downhole length, the main interval of hole PML-26-095 represents roughly 18.7 m true width at an exceptional polymetallic grade. That is a major result for any copper-dominant system, and especially valuable because it sits in the interpreted core of Lion, where near-surface tonnes could have an outsized impact on early mine economics.
- The new holes from this week compare very favorably with earlier standouts from 2025 because they combine both width and grade in the middle core of Lion, exactly where continuity matters most for a resource model.
- **Valuation:** The current valuation only implies 2.5Mt of CuEq resource is discovered above the 7.1Mt already found at the Nisk deposit. With the stock trading at a 40% discount to our unrisks NPV of Nisk, should Power Metallic define even 20% of the resource potential we see from the current land package, the stock has significant upside to C\$2.75/sh, 101% higher than the current share price.

RATING: **BUY**  
 TARGET: **\$2.75**  
 POTENTIAL RETURN: **101%**

May 7th, 2026  
 Metals & Mining

*Distributed on behalf of  
 Power Metallic*

#### KEY STATISTICS

Market Cap (C\$M): 317M  
 Enterprise Value (C\$M): 264M  
 Common Shares (M): 233M  
 Diluted Shares (M): 284M  
 Inst. Ownership (%): 48%  
 Avg Volume (30 Days): 1.04M shares

#### VALUATION

NPV/PS (Est): C\$1.40/sh  
 P/NPV (Est): 0.98x  
 EV/t (Resources US\$/t): \$13.50

### KEY ASSETS



## Our Thoughts

We continue to view these definition drilling results positively because they deliver two things we want to see before an inaugural resource estimate:

- High-grade near-surface continuity and
- Evidence that the system persists at depth.

The headline hole is PML-26-095, which returned 22.00 m grading 11.46% CuEqRec, including multiple very high-grade sub-intervals: 6.50 m at 18.59% CuEqRec, 4.00 m at 18.62% CuEqRec, and 3.00 m at 17.12% CuEqRec.

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### Lion Results – Winter 2026

Hole	From	To	Length	Au	Ag	Cu	Pd	Pt	Ni	CuEq Rec*
	(m)	(m)	(m)	(g/t)	(g/t)	(%)	(g/t)	(g/t)	(%)	(%)
<b>LION MRE</b>										
<b>PML-26-069</b>	<b>674.18</b>	<b>680.76</b>	<b>6.58</b>	<b>0.36</b>	<b>7.76</b>	<b>1.43</b>	<b>4.31</b>	<b>0.61</b>	<b>0.12</b>	<b>4.00</b>
<b>Including</b>	<b>674.18</b>	<b>677.00</b>	<b>2.82</b>	<b>0.48</b>	<b>13.40</b>	<b>2.94</b>	<b>9.67</b>	<b>1.40</b>	<b>0.19</b>	<b>8.26</b>
<b>PML-26-095</b>	<b>155.00</b>	<b>177.00</b>	<b>22.00</b>	<b>2.82</b>	<b>23.37</b>	<b>4.92</b>	<b>4.79</b>	<b>5.12</b>	<b>0.27</b>	<b>11.46</b>
<b>Including</b>	<b>155.00</b>	<b>159.00</b>	<b>4.00</b>	<b>0.60</b>	<b>44.95</b>	<b>8.62</b>	<b>4.76</b>	<b>18.18</b>	<b>0.45</b>	<b>18.62</b>
<b>And Including</b>	<b>160.50</b>	<b>167.00</b>	<b>6.50</b>	<b>1.15</b>	<b>42.88</b>	<b>9.41</b>	<b>11.69</b>	<b>5.98</b>	<b>0.56</b>	<b>18.59</b>
<b>And Including</b>	<b>172.00</b>	<b>175.00</b>	<b>3.00</b>	<b>17.12</b>	<b>11.79</b>	<b>3.41</b>	<b>2.27</b>	<b>0.04</b>	<b>0.09</b>	<b>17.12</b>

\* Note: Reported length is downhole distance; true width based on model projections is estimated as 85% of downhole length

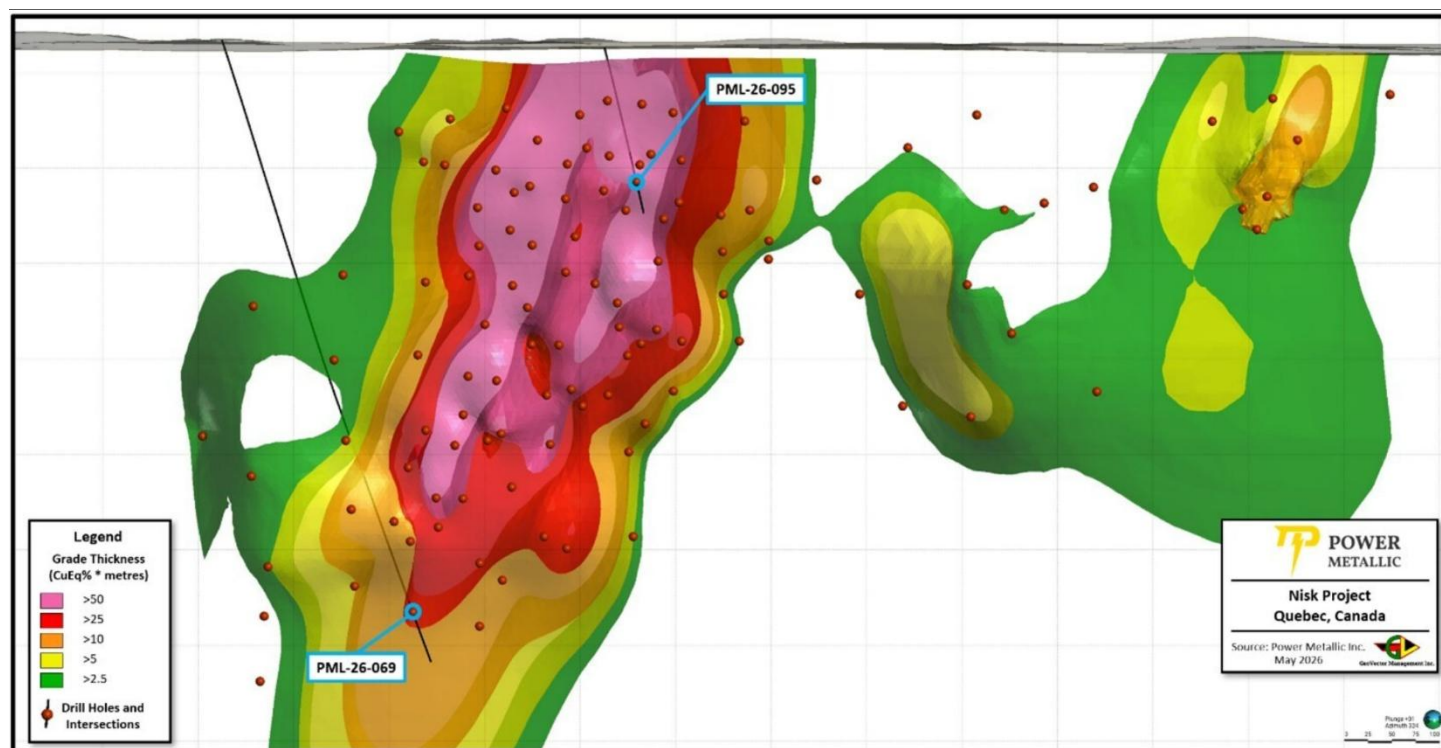
Those are not just good grades, they are impressive widths at a shallow vertical depth of roughly 100 metres below surface. Compared with earlier Lion highlights, these holes clearly sit near the top end of the deposit.

In June 2025, PML-25-012a delivered 12.54 m of 10.99% CuEqRec and showed that the western plunge could host very high-grade material. In September 2025, PML-25-015 returned 28.0 m of 4.28% CuEqRec including 3.4 m of 15.45%, while PML-25-020 returned 22.66 m of 4.57% CuEqRec including 6.05 m of 9.70%.

The new holes compare very favorably with those earlier standouts because they combine both width and grade in the middle core of Lion, exactly where continuity matters most for a resource model.

The most important point is not just that PML-26-095 is high grade; it is that the grade is distributed across meaningful thickness. Many exploration stories can produce narrow spectacular assays, but 22 metres at more than 11% recovered copper equivalent is the type of intercept that can materially improve a future resource model. It suggests the central Lion Zone is not simply a string of isolated high-grade pods. Instead, it continues to show a coherent high-grade core with copper, palladium, platinum, gold, silver, and nickel contributing to the overall value.

### Map of Drill Results from Most Recent News Release



Source: Power Metallic

The comparison to prior Lion results is also favorable. Earlier standout holes included PML-25-012a, which returned 12.54 m at 10.99% CuEqRec, helping confirm the down-plunge potential and the westward shift of the high-grade plunge direction.

Prior 2025 infill results also included strong but generally lower-grade widths such as 22.66 m at 4.57% CuEq and 28.0 m at 4.28% CuEq, each with very high-grade internal intervals.

Against that backdrop, PML-26-095 stands out because it combines the width of the broader 2025 infill hits with a grade closer to the exceptional discovery-style intervals. That is exactly what should improve confidence ahead of the 2026 MRE.

PML-26-069 is positive for a different reason. At 6.58 m grading 4.00% CuEqRec, including 2.82 m at 8.26% CuEqRec, it is not as eye-catching as PML-26-095, but it tested the zone roughly 560 m south-southwest down plunge at a vertical depth of around 600 m. The result extends confidence in the plunge model and demonstrates that the Lion system can still deliver mineable-grade mineralization at depth.

For a future mine plan, that matters because it supports a potential transition from near-surface open-pit material into deeper underground mining targets. The press release explicitly says the holes highlight both near-surface mineralization and the deepest high-grade intercept at Lion, while also pointing to open-pit development potential.

The economics continue to improve because Lion is not a simple copper story. The copper grades are already far above the average producing copper mine, but the precious metals and PGEs provide significant by-product value.

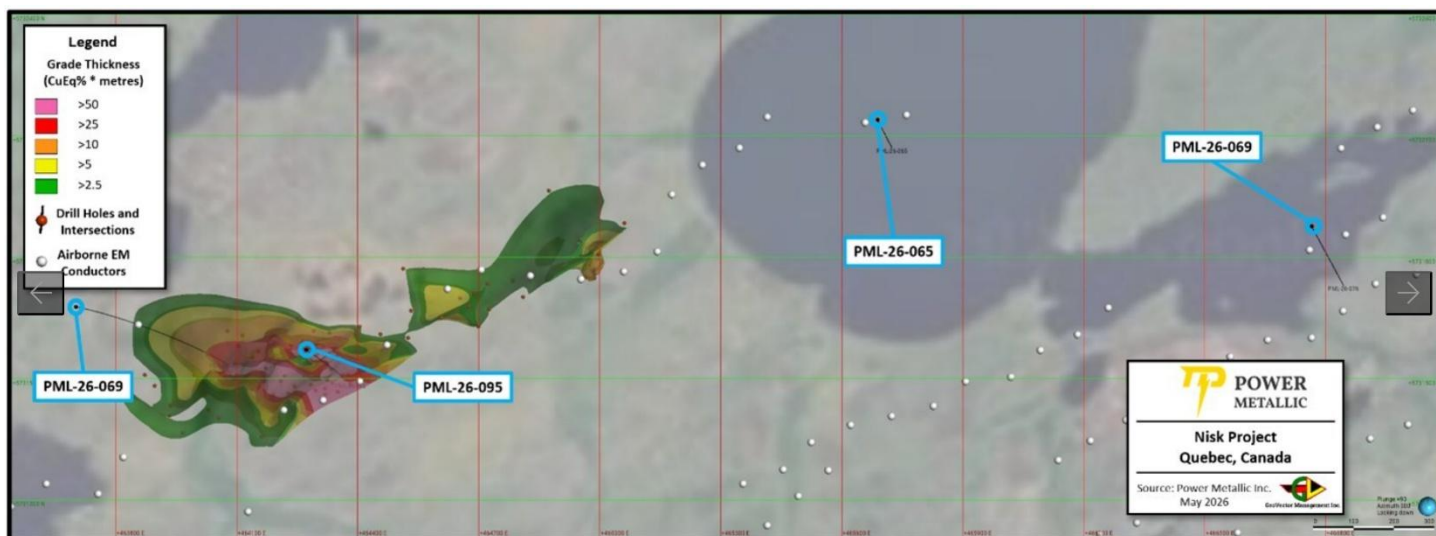
In PML-26-095, the main interval includes 4.92% Cu, 4.79 g/t Pd, 5.12 g/t Pt, 2.82 g/t Au, and 23.37 g/t Ag. One sub-interval even returned 18.18 g/t Pt, while another returned 17.12 g/t Au.

These credits have the potential to increase revenue per tonne and could reduce effective operating cost per pound of copper equivalent if metallurgical recoveries continue to validate the recovered CuEq assumptions.

### Recent Exploration Wins Continue to be Elusive, but the Potential Remains

The Tiger-east exploration holes were not economic, but they still provide useful geological information. PML-26-065 and PML-26-076 hit anomalous mineralization and Lion-style metal assemblages, which means the broader system remains fertile even where individual VTEM targets are not yet ore-grade.

The next key catalysts are additional MRE infill assays, regional exploration assays, and geophysical follow-up such as BHEM. Overall, these results continue to de-risk Lion by improving grade continuity, supporting the plunge model, adding high-value near-surface material, and strengthening the case for a high-grade polymetallic resource in Q3 2026.



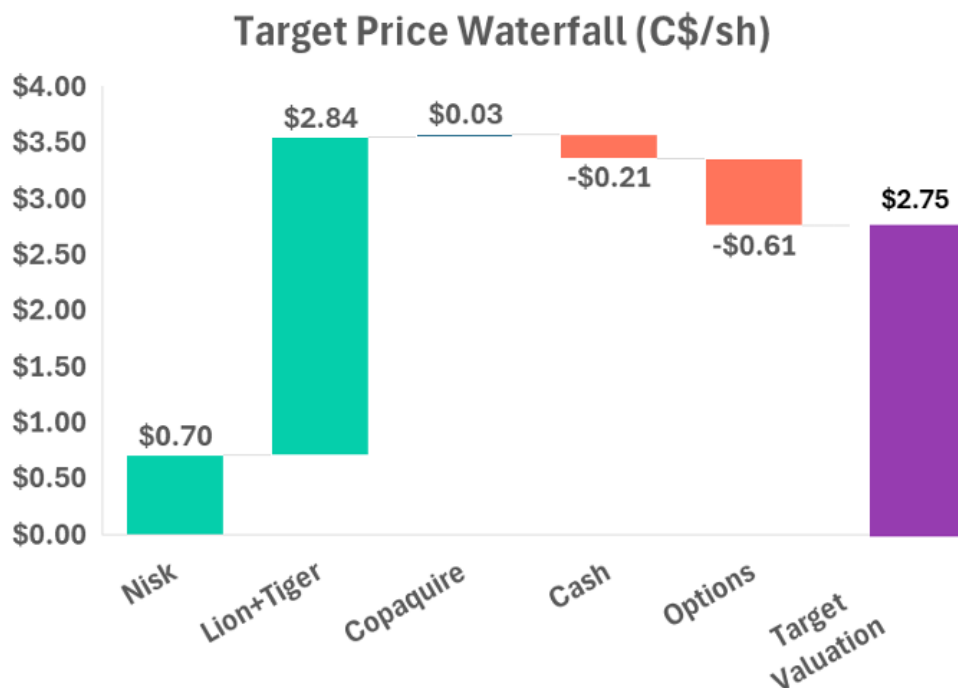
## Upcoming Catalysts

The most concrete near-term catalyst is the company's stated plan to complete an MRE and PEA in 2026. These will go a long way to defining the upside for the stock just from developing the current resource, let alone a large exploration drill program still ongoing.

Management noted over 25 drill hole results still to come from the winter campaign, before drilling transitions to the summer program.

Given the high repeatability of Lion zone results demonstrated through this campaign, the working assumption is that the MRE will confirm and likely grow the resource.

Summer 2026 fieldwork on the gold zone (surface mapping, geophysics, prospecting) will determine whether the structurally-hosted gold target warrants drill follow-up. This is an early-stage secondary target, not a near-term resource driver.



Source: Capital10x Estimates, Company Reports

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