Power Metals Corp. Announces Strategic Acquisition of District-Scale 500,000+ Acre Lithium Oilfield Brine Project Portfolio

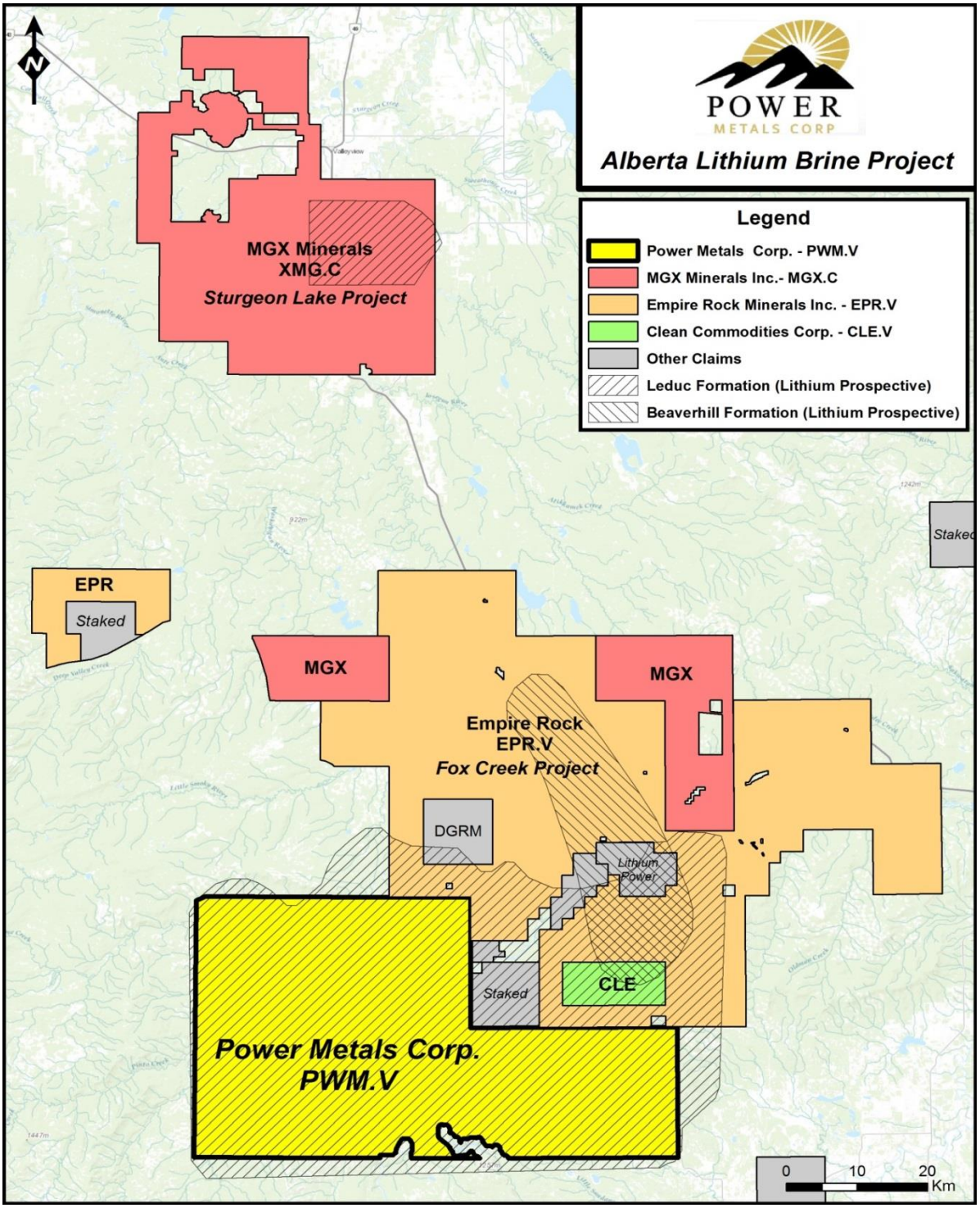
VANCOUVER, BRITISH COLUMBIA - (Jan. 26, 2017) - Power Metals Corp. ("**Power Metals Corp.**" or the "**Company**") (TSX VENTURE:PWM) (FRANKFURT:OAA1) is very pleased to announce that it has executed an agreement to acquire one of the largest lithium brine permit portfolios in Alberta, Canada, as measured by actual coverage over relevant formations, in this case the Leduc Formation (see map attached).

Portfolio Highlights:

- Immediate Scale-Up to a 505,000+ Acre Oilfield Lithium Brine Project Base.
- Historic Lithium Sampling up to 135 mg/L.
- Significant Lithium Brine Exploration Opportunities in Infrastructure-Rich Region.
- Permits Contain Oil Field Wellheads Offering Potential for Well Sampling Programs and Oil Company Partnerships.
- Permit Control of the Leduc S, South Formation Water Lithium Target Area.

"*Power Metals is exceptionally pleased to have secured this accretive lithium brine opportunity. By acquiring a legacy permit portfolio secured prior to recent industry activity, we have secured a massive position of lithium oilfield brines in Alberta. Recent market reaction to the nearby, same-formation work by MGX Minerals exemplifies capital market interest in this stable jurisdiction, and offers a compelling project-level business model in terms of examining potential for near-term commercial production of lithium brines*," stated Johnathan More, Chief Executive Officer of Power Metals Corp.

Figure 1 – Alberta Lithium Brine Project Map (South Leduc Brine project area)



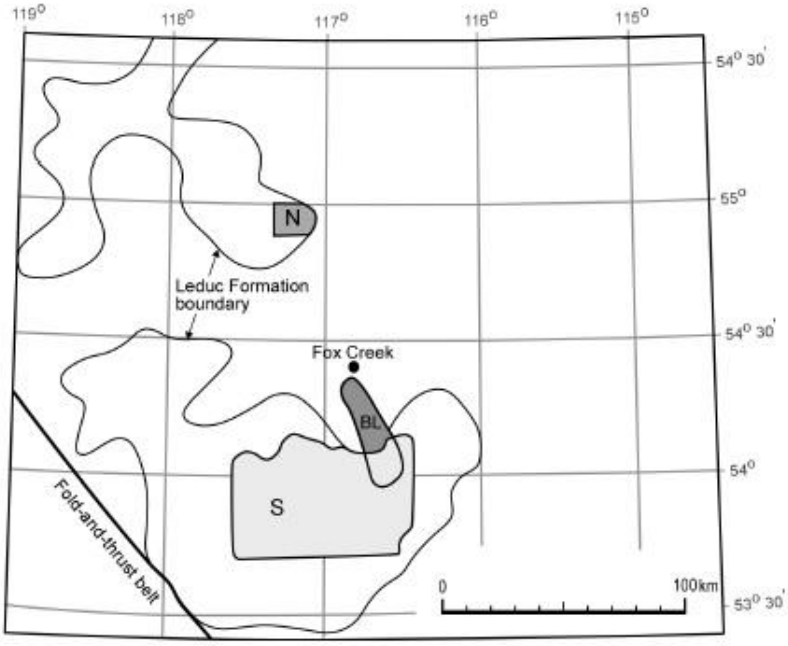
As part of its broader Alberta Lithium Brine Project, the new South Leduc Brine project area, which independently exceeds 450,000 acres, offers significant and cohesive scale and operational efficiencies, particularly when compared to small, geographically-diffused approaches. The sheer district scope of the project area, approaching 70 kilometers on an east-west basis and up to 38 kilometers on a north-south basis may assist with eliminating and addressing multi-party drainage conflicts commonly associated with smaller geographical brine districts in other jurisdictions.

In Alberta, extractive rights to lithium (and other minerals) accrue to the holder of a Metallic and Industrial Minerals Permit covering the location in question and not to the holder of any rights under oil or gas licenses of same location. As such, petroleum companies operating oil and gas activity in areas of lithium-rich formation water have no legal ownership of prospective lithium brines absent concurrently holding the Metallic and Industrial Minerals Permit. Therein, monopoly holders of lithium right permits have a unique partnership opportunity within Alberta which does not always correspond to other lithium oilfield brine prospects elsewhere. Increased lithium commodity pricing, renewed efforts to cost-recover expenses affiliated with brine water coincidental to maturing hydrocarbon production fields and increased environmental stewardship have brought lithium oilfield brines to the attention of the extractive industry.

The Company encourages investors to review a 2011 report published by the Alberta Geological Survey (AGS) entitled, Geological Introduction to Lithium-Rich Formation Water with Emphasis on the Fox Creek Area of West-Central Alberta (NTS 83F and 83K)(ERCB/AGS Open File 2011-10)(the “AGS Report”).

The AGS Report concluded that Devonian formation waters associated with producing oil and gas wells in the Fox Creek area of west-central Alberta offered mg/L lithium readings ranging from 5-14 times background levels in Alberta resulting in specific lithium in formation water target areas being of potential economic interest. In addition, elevated bromine, boron and potassium offered the possibility for multi-element by-product streams.

Figure 2 – Estimated Areas of Producible Lithium Formation Water in the Leduc Formation and the Beaverhill Lake Group strata (Source Credit: AGS Report)



Government data from the mid-1990s depicting the lithium potential of west-central Alberta: a) distribution of lithium in formation water associated with the Leduc and Swan Hills carbonate complexes (modified from Hitchon et al., 1993); b) estimated areas of producible lithium formation water in the Leduc Formation (N, North; S, South) and the Beaverhill Lake Group (BL) strata (Bachu et al., 1995).

Government data from the mid-1990's (see Figure 2) estimated areas of producible lithium formation water in the Leduc Formation (N, North and S, South) and the Beaverhill Lake Group (BL) strata (Bachu *et. al.*, 1995). As it concerns recent industry efforts around oilfield lithium brine prospects in Alberta, this research is significant in so far as it vectors in on potential brine production areas that may have lithium extraction potential.

Importantly, both the South Leduc Brine project area and MGX Minerals Inc.'s Sturgeon Lake Lithium Brine Project target the same Leduc Formation, with the MGX Mineral Inc. project focusing on the N, North region identified in both Figure 1 and Figure 2 and the Power Metals Corp. project focusing on the S, South region, likewise identified.

The Company is particularly encouraged as the S (South) target identified by Bachu *et. al.* (see Figures 1 and 2) is spatially much larger than the N (North) target and thus, pending further exploration, may represent a larger in-situ lithium brine target that ultimately exceeds the scale of the geographically-smaller N, North target being pursued by MGX Minerals Inc.

In addition to the South Leduc Brine project area referenced above and as part of the permit portfolio being acquired, the Company will also hold an additional lithium brine prospect

situated immediately northeast of the City of Red Deer, hereafter referred to as the Red Deer Lithium Brine project area.

Transaction Terms

Power Metals Corp. is acquiring the Alberta Lithium Brine Project, including its twenty-three (23) Metallic and Industrial Minerals Permits granted by the *Mines and Minerals Act* (Alberta) from arm's-length parties in exchange for the issuance of five million common shares of the Company and the granting of a 2% gross overriding royalty thereon.

The transaction remains subject to regulatory approval, including approval by the TSX Venture Exchange.

The Company is relying on historical brine geochemical fluid data given the stage of the project and cautions that results on its project base may differ from other proximate permit holders.

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 a Canadian 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 growth of the lithium battery industry.

ON BEHALF OF THE BOARD,

Johnathan More

Johnathan More, CEO 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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