Company	Power Metal Resources plc (LON:POW & O T CQB:POWMF)
Sector	Natural resources project incubation
Location	Global (Canada, Botswana, Oman, Saudi Arabia, Australia)
Market Value	£13.26m at 10.50p (LSE, 15 October 2026)

Investment case

An incubator model that has already paid out once	Power Metal's business is simple to describe, even if the portfolio isn't. It picks up early-stage mineral projects cheaply, moves them forward, then cashes in through a spin-out, a joint venture or a sale. The proof is Guardian Metal Resources. POW set Guardian up to hold its Nevada tungsten projects, listed it in 2023 and sold out in 2025, for what the company describes as close to a 12x total return. That exit is the reason POW spent the past year with money to deploy rather than money to raise. Guardian has moved on a long way since. Its June pre-feasibility study values PilotMountain at US$660.3 million after tax (the NPV, or what the future cash flows are worth in today's money) using a tungsten price well below spot. Building the mine would cost US$288.7 million, with first production targeted for late 2028. Guardian itself is now worth around £260 million on AIM. POW no longer owns Guardian shares, but it hasn't walked away entirely. Apex Royalties, where POW holds 11.76%, raised money partly to buy a royalty over Pilot Mountain and Tempiute. That gives POW a small, indirect line back into the Guardian story.
A bigger share of a fully funded uranium joint venture	Fermi Exploration is POW's uranium joint venture in Canada, run with private investment firm UCAM. A year ago POW owned 30%. As of today it owns 45%. The new deal also pays for the next round of work. The £1.9 million programme is fully funded. UCAM is exercising 13.3 million POW warrants at 10p, putting £1.3 million into POW, and POW adds £600,000. The warrant exercise makes UCAM POW's largest shareholder, with roughly 11%. So the partner running the joint venture now has a direct stake in POW's share price, which lines up everyone's interests fairly neatly.

DISCLAIMER: All content in this Company Review is intended for informational and educational purposes only. It is not a recommendation to purchase shares in the company discussed. The authors may hold shares in the company. Readers should conduct thorough research and seek appropriate financial advice before making any investment decisions. The junior resource exploration sector is a high-risk environment with significant share price volatility. Although the information provided is believed to be accurate at the time of publication, the author assumes no responsibility for any errors or omissions. Readers are strongly advised to independently verify all information before taking any action.

Maiden uranium drilling complete, assays pending	The drilling record over the year has been mixed, and it's better to be upfront about that. The standout was Drake Lake-Silas, where one hole returned 0.33% uranium over 2.05m inside a wider 6.8m zone at 0.111%. That's a real uranium hit, though a narrow one, and nobody yet knows how far it runs. Winter drilling at Badger Lake and East Hawkrock, around 4,000m in total, found altered rock but no economic uranium. Perch River is the one to watch next. Drilling there found the chemical fingerprints you'd expect near a uranium system: unusual clay minerals, boron and lead that has formed from decaying uranium, traced for at least 400m along a fault. The company's reading is that the holes clipped the outer edge of the system and the core sits deeper. Phase 2 drilling is designed to test exactly that. At Reitenbach, soil and radon surveys have outlined three targets across roughly 100 hectares, and an airborne survey is pending.
Botswana is back in play, and someone else is paying	Last year's review flagged Botswana as non-core and under review. That review has produced two live projects rather than a sale. At Tati, a gold project, a partner called Tuscan Holdings is funding and running the work at no cost to POW. On-site operations started in August 2026, with shallow drilling at the Cherished Hope prospect and a desktop study into a small mine processing around 50 tonnes a day. If Tuscan completes the study and funds the plant, it earns 75% of that licence. POW keeps 25% and pays nothing towards it until production, which is what "free-carried" means. The rest of the Tati ground stays 100% POW's. At Molopo Farms, where POW owns 87.71%, a 1,600m drill programme is testing five nickel targets. The licence has been extended to March 2028. The first hole hit 26m of rock with what looks like scattered nickel sulphide minerals. That's only a visual call, though, and assays are needed before anyone can say whether there's meaningful nickel in it.

DISCLAIMER: All content in this Company Review is intended for informational and educational purposes only. It is not a recommendation to purchase shares in the company discussed. The authors may hold shares in the company. Readers should conduct thorough research and seek appropriate financial advice before making any investment decisions. The junior resource exploration sector is a high-risk environment with significant share price volatility. Although the information provided is believed to be accurate at the time of publication, the author assumes no responsibility for any errors or omissions. Readers are strongly advised to independently verify all information before taking any action.

Middle East: early results, still early days	In Oman, the first drilling at Block 8 hit sulphide minerals in six of eight holes. The best copper result was 1.5m at 1.04%. That confirms the system carries copper and zinc, but the good intervals are thin so far. POW can reach 12.5% of the project. In Saudi Arabia, POW has earned 20% of the Balthaga project and is spending towards 30%. It covers 13 licences and around 1,290 square kilometres. An independent review by consultants SRK cut the list to 12 priority targets, including a two-kilometre corridor at Huqban that's anomalous in lithium, tin, tantalum and other critical metals. POW also put US$1.5 million into Greyridge Exploration for about 4.6%, alongside a non-binding agreement to look at working together across 25 more Saudi licences. The Qatan copper deal mentioned last year didn't go ahead.
A wider spread of investments beyond exploration	Much of the Guardian cash went into stakes in other businesses, not drilling: • Apex Royalties (£4 million, 11.76%). A royalty pays its owner a cut of a mine's output or revenue without the owner funding the mine. Apex holds five royalty assets across gold, tin, bauxite and tungsten, and part of its fundraise is earmarked for a royalty over Guardian's Pilot Mountain and Tempiute projects. • Minestarters (£1 million, 35%, with an option to go to 49% for another £2 million). A platform aiming to let investors buy digital tokens tied to mining projects. It's now in rollout and testing, onboarding its first miners, with tokens due as soon as practicable. Big idea, still early, and heavily dependent on regulation. • Next Minerals (US$1 million, about 2.6%). A Chilean copper developer whose mine-ready Comahue project has a resource of 9.91 million tonnes at 0.81% copper. • First Development Resources (33.04%, down from 43.4% after later fundraises, but still the largest shareholder). FDR holds POW's former Australian projects and recently finished its maiden drill programme at Lander West, on the Selta project in the Northern Territory. The upside is diversification. POW's fortunes no longer rest on one drill hole. The trade-off is that private stakes are harder for the market to value, and that tends to show up in the share price.

DISCLAIMER: All content in this Company Review is intended for informational and educational purposes only. It is not a recommendation to purchase shares in the company discussed. The authors may hold shares in the company. Readers should conduct thorough research and seek appropriate financial advice before making any investment decisions. The junior resource exploration sector is a high-risk environment with significant share price volatility. Although the information provided is believed to be accurate at the time of publication, the author assumes no responsibility for any errors or omissions. Readers are strongly advised to independently verify all information before taking any action.

GSA Environmental: a waste-to-metals business	POW owns 75% of GSAe, which recovers useful metals from industrial waste such as power station ash, refinery residue and spent catalysts. The plan is to earn money by licensing the technology rather than building every plant. GSAe has already completed two major waste-treatment projects for leading Saudi companies and says it's in advanced licensing talks with several parties. There's no recurring revenue yet, so a first signed licence would be a meaningful step.
A balance sheet that has been put to work	The £15 million-plus cash pile from last year has largely been put to work. At 30 June 2026, POW held £2.1 million in cash plus around £5 million in UK government bonds (gilts), which can be turned back into cash quickly . That's a cash position of roughly £7.1 million, alongside around £9.6 million of other investments and net assets of £25.1 million. The half-year showed a small loss of £0.31 million. That's a big swing from last year's Guardian-driven profit, but it's what you'd expect from a company that's now investing rather than selling. POW also bought back around 2.7 million of its own shares for about £397,000, and the Fermi deal brings in £1.3 million more. That means less dry powder than a year ago, but more assets working at once. Most of the big programmes, at Tati, Fermi and Block 8, are either partner-funded or already paid for.
The market still isn't paying for much of this	At 10.50p, POW is valued at around £13.26 million. That's roughly half the £25.1 million of net assets it reported at 30 June, and less than its cash and investments alone. The market is putting little or nothing on a funded uranium programme, a free-carried gold project or the nickel drilling now in progress. Some of that discount is fair. Private stakes are hard to price, and the market has seen a lot of activity without a single headline discovery. But the gap is wide, and a clear drilling result or a well-priced exit from any one holding could close part of it.

DISCLAIMER: All content in this Company Review is intended for informational and educational purposes only. It is not a recommendation to purchase shares in the company discussed. The authors may hold shares in the company. Readers should conduct thorough research and seek appropriate financial advice before making any investment decisions. The junior resource exploration sector is a high-risk environment with significant share price volatility. Although the information provided is believed to be accurate at the time of publication, the author assumes no responsibility for any errors or omissions. Readers are strongly advised to independently verify all information before taking any action.

OUT OF THE GRND

Potential Share Price Drivers

Perch River Phase 2 and the Fermi programme

The newly funded programme is designed to drill deeper at Perch River, where the company believes the heart of a uranium system may sit below last year's holes. A strong result here would matter more to POW now that it owns 45% rather than 30%.

Watch for: Phase 2 hole locations and timing, radioactivity readings in core, assays, the Reitenbach airborne survey results, East Hawkrock lab results (due Q4 2026) and confirmation of the UCAM warrant exercise.

Molopo Farms nickel assays

The first hole looked encouraging by eye. Lab results will show whether it carries nickel in quantities worth chasing.

Watch for: Assays from the 26m interval, results from the remaining four targets and any change in drilling plans as core comes in.

Tati gold drilling and the small-mine study

With a partner paying, Tati is one of the cheaper routes POW has to a producing asset.

Watch for: First drill results from Cherished Hope, the desktop feasibility study, metallurgical recoveries and Tuscan's progress towards its 75% earn-in.

Middle East progress

Watch for: Balthaga moving from 20% to 30%, soil and trench results at Huqban, any Block 8 follow-up drilling and a firm deal coming out of the Greyridge agreement.

Value from the investment portfolio

Any one of the holdings could deliver the next Guardian-style moment, or at least a clearer price tag.

Watch for: New royalty deals at Apex, live projects on the Minestarters platform, Next Minerals financing Comahue, FDR drill results and any partial sale or listing that puts a market value on a private stake.

GSAe commercial milestones

Watch for: A first signed licensing deal and progress on the advanced talks flagged in the interim results.

Better communication, and a market that hasn't caught up

Last year's review flagged patchy newsflow as a drag on sentiment. That's changed. POW put out close to 60 announcements in the past 12 months, covering drilling plans, results, deals and a clear record of every buyback. Investors now get a steady view of what's happening across the portfolio and why.

The share price hasn't followed yet. That looks more like a market still joining up a busy story than a verdict on the assets. With funded drilling under way on three continents and several holdings maturing at once, it may only be a matter of time before the pieces click.

Watch for: Clearer updates on what each holding is worth, results that tie the story together, wider broker or media coverage and any re-rating as the gap to net assets narrows.

DISCLAIMER: All content in this Company Review is intended for informational and educational purposes only. It is not a recommendation to purchase shares in the company discussed. The authors may hold shares in the company. Readers should conduct thorough research and seek appropriate financial advice before making any investment decisions. The junior resource exploration sector is a high-risk environment with significant share price volatility. Although the information provided is believed to be accurate at the time of publication, the author assumes no responsibility for any errors or omissions. Readers are strongly advised to independently verify all information before taking any action.

OUT OF THE GRND

Risk Factors

Exploration risk

None of POW's projects has a modern, compliant resource yet. The past year produced plenty of encouraging signs but only one clear uranium hit, and two winter programmes came up dry. Encouraging chemistry is not the same as a deposit, and the next round of drilling could disappoint.

Too many moving parts

POW now holds interests across five countries, several commodities, a royalty company, a tokenisation platform and a waste-recovery business. That spreads risk, but it also makes the company harder for investors to follow and value. Most of these are minority stakes, so POW doesn't control the timetable on many of them.

Less cash than a year ago

The Guardian proceeds have largely been spent on investments and buybacks, and cash and gilts stood at around £7.1 million at the end of June. Several programmes are partner-funded, and POW holds investments it could sell. Even so, the board's going-concern statement leans partly on its ability to raise equity , so a run of weak results or a new opportunity could still mean a fundraise. W arrant exercises like UCAM's also add shares.

DISCLAIMER: All content in this Company Review is intended for informational and educational purposes only. It is not a recommendation to purchase shares in the company discussed. The authors may hold shares in the company. Readers should conduct thorough research and seek appropriate financial advice before making any investment decisions. The junior resource exploration sector is a high-risk environment with significant share price volatility. Although the information provided is believed to be accurate at the time of publication, the author assumes no responsibility for any errors or omissions. Readers are strongly advised to independently verify all information before taking any action.