

Feb 19, 2026

Nat Resources

**PNPNF**

OTCQB

Rating

**Outperform**

Unchanged

Current Price

**\$0.96**

Target Price

**\$2.65**

Market Capitalization

**223M**

Shares Outstanding

**232M**

Float

**218M**

Institutional Holdings

**68%**

12-Month Low/High

**\$0.37/\$1.90**

Average 90-Day Volume

**455220**

Fiscal Year End

**12/31/2026**

## Power Metallic Mines Inc.

### **Recent Assay Results and Observations from the Summer-Fall 2025 Drilling Program**

**Expanding the High-Grade Core at Lion.** Summer-Fall 2025 drilling successfully extended high-grade mineralization down plunge at the Lion Zone, with impressive intercepts including 8.40 meters grading 8.05% copper equivalent recovered, and 5.10 meters grading 9.86% copper equivalent recovered, reinforcing strong vertical continuity.

**Precious Metals Significantly Enhance Value.** Assays revealed substantial palladium, platinum, and gold contributions, materially boosting copper-equivalent grades and highlighting the robust polymetallic nature of the deposit.

**Resource Growth Potential.** Step-out drilling west of the main Lion Zone identified additional mineralized lenses, expanding the footprint and demonstrating continued resource growth potential.

**Rating is Outperform.** Power Metallic expects to receive the remaining balance of the Fall 2025 drill holes shortly. The company expects to provide a detailed update on the exploration being conducted on Lion West, Tiger Deep, and the Elephant exploration targets, as well as initial exploration on the Li-FT acquisition ground. There will be further updates on the Lion Zone East expansion drilling following the recently recognized high grade east plunging mineralization structures extending from the Lion Main Zone.

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#### **Revenues (\$ MIL)**

Period	2024 A	2025 E	2026E
Q1	0.0 A	0.0 A	0.0 E
Q2	0.0 A	0.0 A	0.0 E
Q3	0.0 A	0.0 A	0.0 E
Q4	0.0 A	0.0 E	0.0 E
	0.0 A	0.0 E	0.0 E

#### **EPS (\$)**

Period	2024 A	2025 E	2026 E
Q1	(0.02) A	(0.05) A	(0.07) E
Q2	(0.03) A	(0.03) A	(0.06) E
Q3	(0.03) A	(0.07) A	(0.06) E
Q4	(0.04) A	(0.06) E	(0.06) E
	(0.12) A	(0.22) E	(0.24) E

## Recent Assay Results and Observations from the Summer-Fall 2025 Drilling Program

Power Metallic Mines reported additional strong assay results from its Summer-Fall 2025 drill program at the Lion Zone within the NISK Project, further reinforcing the scale, continuity, and high-grade nature of the deposit. The program was designed to extend mineralization down plunge from known high-grade shoots and to infill key areas of the deposit to support advancement toward an Indicated Mineral Resource classification. The latest results demonstrate meaningful progress on both objectives. Figure 1 summarizes the recently released assay results.

**Figure 1: Lion Zone Assay Results**

HOLE NUMBER	From	To	Length	Gold	Silver	Copper	Palladium	Platinum	Nickel	Copper
	(m)	(m)	(m)	(g/t)	(g/t)	(%)	(g/t)	(g/t)	(%)	Equivalent
<b>LION MRE EXTENSION</b>										
PML-25-034a	440.53	445.87	5.34	0.11	2.77	0.34	0.83	0.15	0.24	1.31
and	531.18	538.84	7.66	0.09	4.31	0.51	2.58	0.91	0.04	2.69
Including	531.18	534.18	3.00	0.23	8.07	1.12	6.51	2.29	0.05	4.96
PML-25-036	463.60	470.80	7.20	0.03	1.61	0.28	0.48	0.31	0.17	0.95
Including	468.40	470.80	2.40	0.06	3.78	0.73	1.18	0.90	0.38	2.36
PML-25-039	542.76	553.80	11.04	0.23	5.56	0.36	1.16	0.28	0.02	1.18
Including	552.14	553.80	1.66	0.75	8.14	1.52	7.60	1.82	0.09	6.11
<b>LION MRE</b>										
PML-25-045	368.40	370.20	1.80	0.54	14.46	1.15	7.96	0.98	0.12	5.56
and	380.20	389.60	9.40	0.25	7.29	2.01	1.83	0.23	0.09	3.26
Including	381.25	385.30	4.05	0.47	14.50	4.45	3.98	0.52	0.15	7.01
and	403.70	412.30	8.60	2.10	32.86	3.30	0.96	0.01	0.43	6.34
Including	403.70	408.80	5.10	3.18	48.69	5.38	1.46	0.01	0.59	9.86
PML-25-046	495.80	516.20	20.40	0.68	9.04	0.88	5.01	1.29	0.06	4.11
Including	496.80	505.20	8.40	1.42	16.66	1.50	10.13	2.90	0.07	8.05

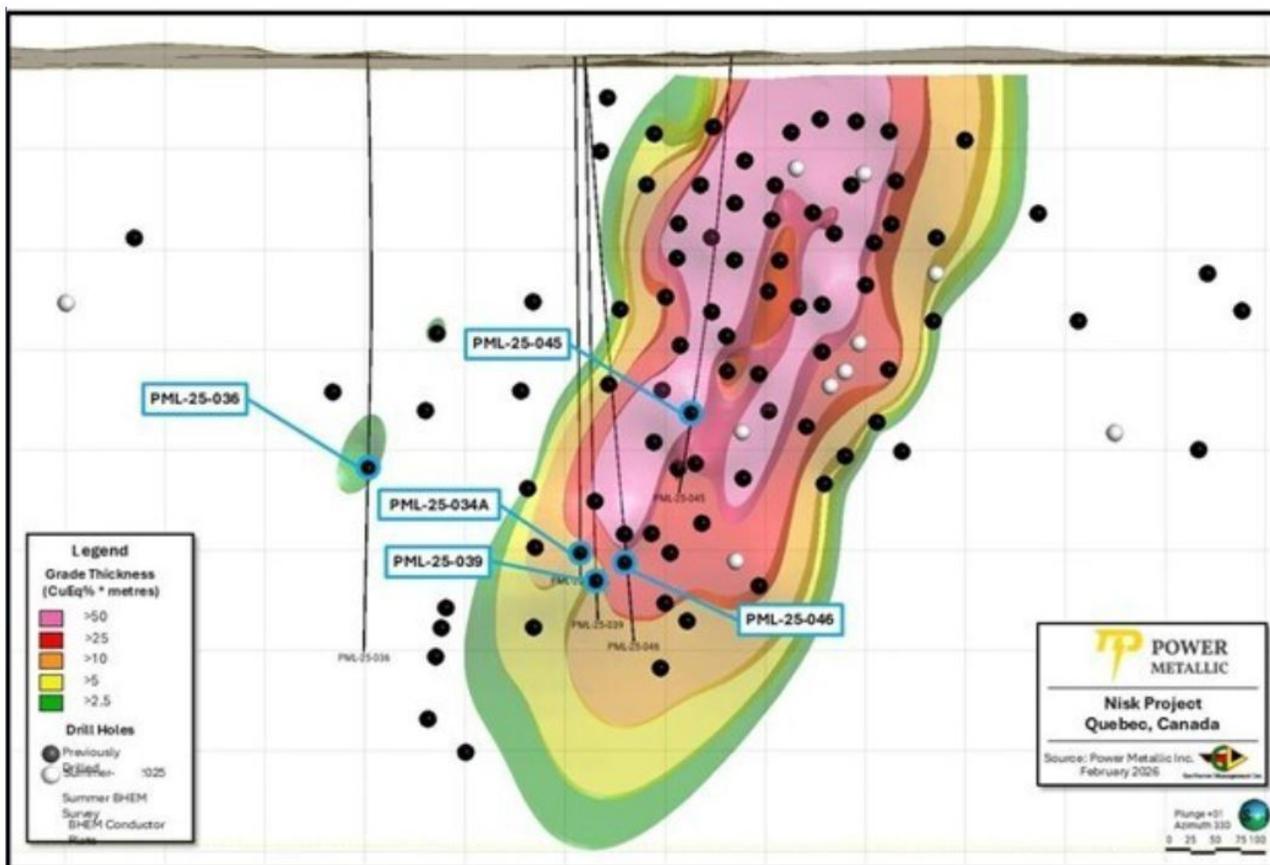
Note: Reported length is downhole distance, true width based on model projections is estimated as 85% downhole length.

Copper equivalent is based on: Gold/US\$2,360.15 oz., Silver/US\$27.98 oz., Palladium/US\$1,215.00 oz., Platinum/US\$1,000 oz., Copper/US\$4.00 lb., Nickel/US\$10.00 lb., Cobalt/US\$22.50 lb., and recovered grades based on locked-cycle metallurgical recoveries by SGS Canada.

Source: Power Metallic Press Release dated February 18, 2026, and Noble Capital Markets Inc.

Figure 2 illustrates the Lion drill holes represented in Figure 1.

**Figure 2: Lion Drill Holes with Off-Hole Borehole Electromagnetic (BHEM) Anomalies**



Source: Power Metallic Inc.

Drilling continues to confirm and expand the high-grade core of the Lion Zone. Notably, hole PML-25-046 intersected 20.40 meters grading 4.11% copper equivalent recovered (CuEqRec), including 8.40 meters grading 8.05% CuEqRec. Similarly, hole PML-25-045 returned 8.60 meters grading 6.34% CuEqRec, including 5.10 meters grading 9.86% CuEqRec. These intersections extend mineralization below the central high-grade zone and confirm strong vertical continuity of the higher-grade shoots that will form an important component of future mineral resource modeling.

A particularly significant observation from the program is the strong contribution of precious metals to the overall grade. In hole PML-25-046, initial core logging suggested relatively modest copper mineralization, averaging 0.88% Cu over 20.4 meters. However, assays revealed substantial palladium values averaging 5.01 g/t, along with platinum and gold, materially enhancing the copper-equivalent grade. This underscores the polymetallic, orthomagmatic character of the Lion deposit and highlights the importance of refined geological logging procedures to better identify precious metal-rich zones within the system.

Drilling also continues to demonstrate lateral growth potential. On the west side of the Lion Zone, hole PML-25-034a intersected 7.66 meters grading 2.69% CuEqRec, including a higher-grade interval of 3.00 metres grading 4.96% CuEqRec. In addition, hole PML-25-036, located approximately 150 meters west of the main Lion Zone, returned 7.20 meters grading 0.95% CuEqRec, including 2.40 meters grading 2.36% CuEqRec. This intercept is interpreted as representing a separate polymetallic lens west of the main zone and will be followed up with additional drilling, suggesting further expansion potential beyond the currently defined footprint.

## Company Profile

Power Metallic Mines Inc. (OTCQB: PNPPF, TSX.V: PNP, FRA: IVV1) is a Canadian exploration company focused on advancing the Nisk Project Area (Nisk-Lion-Tiger), a high-grade copper and platinum group element (PGE), nickel, gold, and silver system toward a producing polymetallic mine. Power Metallic has an interest of 80% in the Nisk project, while Critical Elements Lithium Corporation (TSX.V: CRE) owns the remaining interest. Following the June 2025 purchase of 313 adjoining claims representing approximately 167 square kilometers and the staking of 100 square kilometers of land in the Lion Zone, Power Metallic Mines now controls a land package of approximately 313 square kilometers and roughly 50 kilometers of prospective basin margins. Additionally, Power Metallic indirectly has an interest in land packages in British Columbia and Chile through its 50% share ownership in Chilean Metals Inc. which was spun out from Power Metallic via a plan of arrangement in February 2025. Moreover, the company also owns 100% of Power Metallic Arabia which owns a 100% interest in the Jabul Baudan exploration license in The Kingdom of Saudi Arabia's JabalSaid Belt. The property encompasses over 200 square kilometers in an area recognized for its high prospectivity for copper and zinc mineralization. The region is known for its massive volcanogenic massive sulphide (VMS) deposits. Power Metallic shares trade in the United States on the OTCQB under the symbol "PNPNF", in Canada on the TSX Venture Exchange under the symbol "PNPN", and on the Frankfurt Exchange under the symbol "IVV1."

## Fundamental Analysis — 3.0/5.0

Our fundamental assessment rating, separate from our investment rating and valuation, is based on five core attributes. We assign Power Metallic Mines 3.0 checks out of 5.0, which falls within our "Average" range. In our view, the company benefits from a leadership team with experience in polymetallic systems, a high-grade polymetallic discovery containing nickel, copper, cobalt, and platinum group elements, and a supportive jurisdiction with established mining infrastructure and access to low-carbon hydropower. The Nisk Main Zone provides a defined mineral resource, while the Lion and Tiger Zone discoveries are the focus of a fully funded, district-scale drill program for resource expansion. The company also maintains a 50% strategic equity stake in Chilean Metals Inc. with exposure to a non-core exploration.

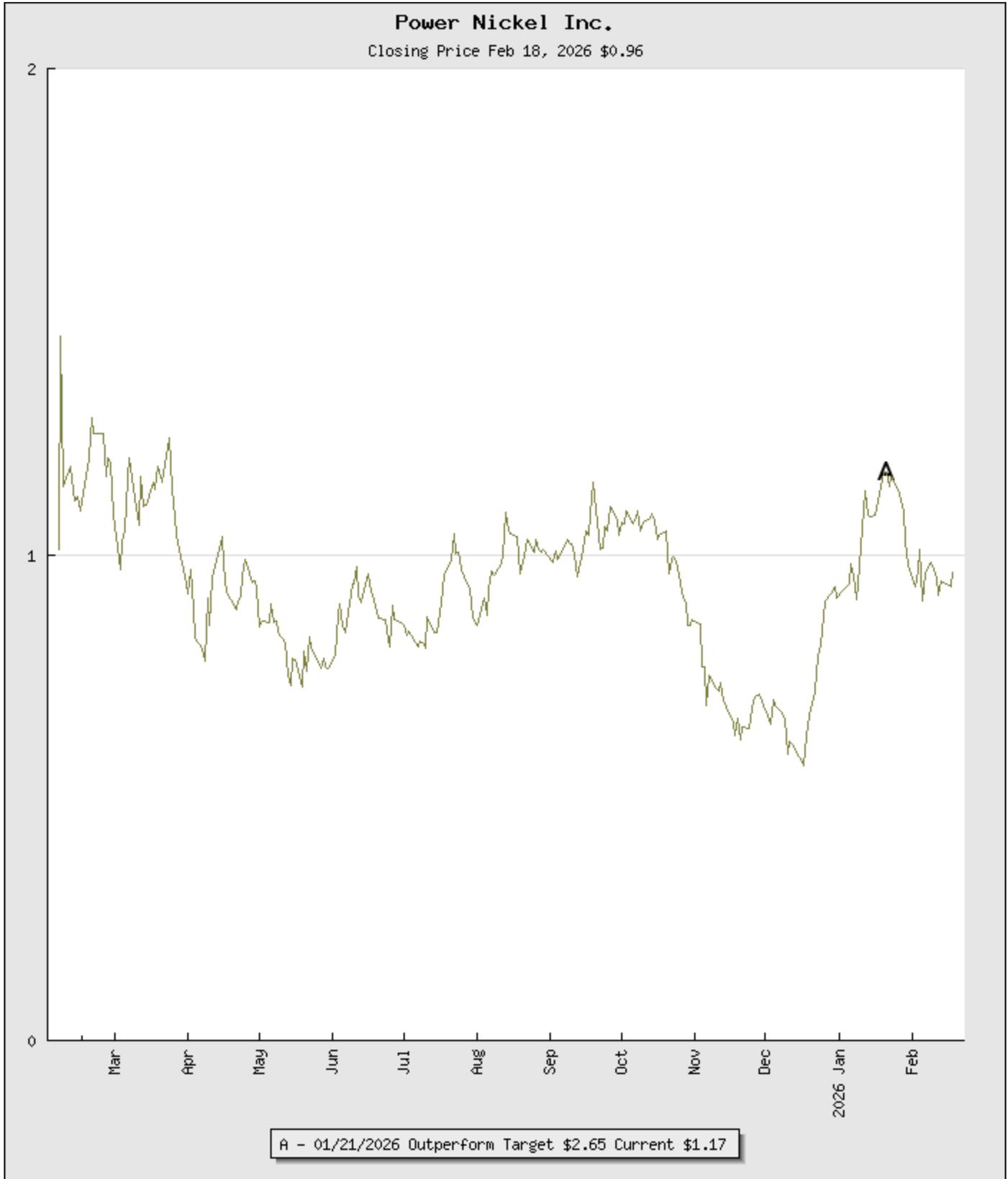
Our rating reflects that Power Metallic Mines is in the pre-revenue, resource definition stage. Advancing the Nisk Project toward preliminary economic studies will necessitate subsequent financing rounds. However, the combination of a high-grade polymetallic discovery, access to established infrastructure and low-carbon power in Québec, and a fully funded district-scale drill program supports a continued focus on resource expansion.

## Valuation Summary

Our investment rating is Outperform with a price target of US\$2.65 per share or C\$3.65 per share. Our valuation is based on a discounted cash flow (DCF) framework reflecting development of the Lion-led polymetallic system at the Nisk Project. We model a single-asset underground operation commencing commercial production in 2030, following continued drilling, resource definition, metallurgical testing, and technical studies. Free cash flows, defined as operating cash flow minus capital expenditures, are modeled from 2026 through 2045, with negative free cash flow during the construction period from 2026 through 2029. Free cash flows are discounted at a 10% rate. Our per share value is rounded to the nearest \$0.05.

## Investment Risks

Key risks include but are not limited to: (1) exploration risk that future drilling may not maintain current high grades or expand resources as projected; (2) commodity price volatility affecting the economic viability of nickel, copper and PGE production; (3) funding risk requiring substantial future capital for development amid potential market uncertainties; (4) execution risk across resource conversion, feasibility studies, and potential mine development stages; (5) permitting risk within Quebec's regulatory framework despite its mining-friendly jurisdiction; and (6) asset concentration risk with the company's value heavily dependent on single-project success at Nisk. An investment in Power Metallic Mines should be considered speculative due to the potential for high risk and high reward.



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The fundamental assessment rating system is designed to provide insights on the company's fundamentals both on a macro level, which incorporates a company's market opportunity and competitive position, and on a micro/company specific level. The micro/company specific attributes include operating & financial leverage, and corporate governance/management. The number of check marks that a company receives is designed to provide a quick reference and easy determination of the company's fundamentals based upon the following five attributes of the company (weighting reflects the importance of each attribute in the overall scoring of company's fundamental analysis):

Attribute	Weighting
Corporate Governance/Management	20%
Market Opportunity Analysis	20%
Competitive Position	20%
Operating Leverage	20%
Financial Leverage	20%

For each attribute, the analysts score the company from a low of zero to a high of ten based upon the analysis described below. The final rating and resulting check marks is a result of dividing the overall score (out of 100%) by ten.

Rating	Score	Checks
Superior	9.1 to 10	Five Checks
Superior	8.1 to 9	Four & A Half Checks
Above Average	7.1 to 8	Four Checks
Above Average	6.1 to 7	Three & A Half Checks
Average	5.1 to 6	Three Checks
Average	4 to 5	Two & A Half Checks
Below Average	3 to 3.9	Two Checks
Below Average	2 to 2.9	One & A Half Checks
Low Quality	0 to 1.9	One Check

While these are the attributes currently used for the analyst's fundamental analysis, the attributes and weighting may be reviewed, updated with additional attributes, and/or changed in the future based on discussions with the analysts and recommendations from the Director of Research.

Following is the description of each attribute in the fundamental analysis.

### Corporate Governance/Management

We believe that a review of corporate governance and assessment of the senior management are important tools to determine investment merit. Good corporate governance aligns management with the interests of stakeholders. As such, analysts are to rank the company on the basis of good corporate governance principles that may include rules and procedures, board composition and staggered term limits, rights and responsibilities, corporate objectives, monitoring of actions and policies, and accountability. In addition, analysts will assess issues with controlling shareholders and whether decisions have been made in the past that were in the interests of all shareholders. In addition, management will be assessed based on industry experience, expertise, and/or track record.

High ranking example: Board and management that is aligned with the interests of shareholders with incentives based on stock price appreciation and with an experienced management team known for exceptional shareholder returns.

Low ranking example: Concentrated ownership without independent directors that do not necessarily align with all shareholders' interests.

### The Market Opportunity Analysis

In this review, the analyst assesses the company's macro environment as a measure of understanding the industry. Factors considered include the size and growth potential of the industry under various economic conditions, the emerging demands in the market, technological benefits/disruptions, competition, geographical opportunities, and customer demands/needs, and an assessment of supply and distribution channels. In addition, the analyst will review legal and regulatory trends, as well as potential shifts in consumer or social behavior and natural environment changes.

High rank example: A company in an industry that is growing revenues well above GDP rates (which are on average 2% plus) and/or may have unmet or underserved needs in a rapidly growing market opportunity.

Low rank example: A mature industry that is in secular decline and likely to grow below GDP rates.

### Competitive Position

The evaluation of the company's competitive position is another macro environment attribute designed to measure the relevance, market share, position and value proposition, and sustainable differentiations of the company and its products/services within its industry. Ease of entry into the industry and the ability of other well-funded players to potentially enter the market would be determined. As such, the assessment would consider the company's strengths and advantages of its products/services against weaknesses and limitations. This may include the company's current brand awareness, pricing and cost structure, current market strategies and geographic penetration that may affect demand for its products/services. In addition, the company's competitors would be evaluated.

High rank example: An analyst would consider the company's product to be superior to its competitors and that should allow the company to gain market share.

Low rank example: A company with a "me-too" product that does not have any significant technology advantages in an industry that has low barriers to entry.

### Operating Leverage

Simplistically, operating leverage is determined by the operating income relative to changes in revenue. The analyst will calculate the impact on sensitivity on gross margins and variable costs to determine operating leverage. The analyst will take into account the ability of the company to cut fixed and variable costs in a challenged revenue environment and technological changes that may impact operating expenses. In addition, the analyst is to assess corporate strategies that include capital investment, which may be required for sustainable revenue growth, marketing expenses, and the company's ability to attract and retain talent and/or employees. The analyst should focus on the revenue opportunity and determine the price elasticity of demand for the company's products or services. In other words, the analyst is to rank the company based on improved operating margins going forward on an absolute and relative basis.

High rank example: A company that has improving margins for the foreseeable future, with significant price elasticity.

Low rank example: A company that is in a challenged revenue environment with a fixed cost structure and limited ability to cut costs, indicating an outlook for declining margins.

### Financial Leverage

A strict definition of financial leverage is total debt divided by total shareholder's equity. Financial leverage analysis is to determine the company's ability to improve shareholder value by means of utilizing its balance sheet to grow organically or to acquire assets. Analysts may look at the company's debt to cash flow leverage ratio, interest coverage ratios, or debt to equity ratios. In addition, the interest rate environment and the outlook for interest rates are a factor in determining the company's ability to manage financial leverage. Finally, the analyst is expected to determine the ability to service the debt given the industry and/or company profile, such as cyclical, barriers to entry, history of bankruptcy, consistency in revenue and profit growth, or predictability in sales and profits and large cash reserves. The analyst is expected to take into account capital intensity of the company and the anticipated of capital allocation decisions.

High rank example: A company with predictable and growing revenue and cash flow with modest debt levels. This may indicate that the company could improve shareholder value through growth investments, including acquisitions, using debt financing.

Low rank example: A company in a cyclical industry in a late stage economic cycle that has above average debt leverage and is in an industry that has a history of financial challenges, including bankruptcies.

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Senior Equity Analyst focusing on Basic Materials & Mining. 20 years of experience in equity research. BA in Business Administration from Westminster College. MBA with a Finance concentration from the University of Missouri. MA in International Affairs from Washington University in St. Louis.

Named WSJ 'Best on the Street' Analyst and Forbes/StarMine's "Best Brokerage Analyst."

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Outperform: potential return is >15% above the current price	84%	15%
Market Perform: potential return is -15% to 15% of the current price	16%	5%
Underperform: potential return is >15% below the current price	0%	0%

**NOTE:** On August 20, 2018, Noble Capital Markets, Inc. changed the terminology of its ratings (as shown above) from "Buy" to "Outperform", from "Hold" to "Market Perform" and from "Sell" to "Underperform." The percentage relationships, as compared to current price (definitions), have remained the same.

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