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POWERMETAL TECHNOLOGIES RAISES \$10 MILLION IN OVERSUBSCRIBED FINANCING

CARLSBAD, CA – October 19, 2005 – PowerMetal Technologies, Inc. a leading nanotechnology applications company, announced today that its equity financing round has been closed at its goal of \$10 million. PowerMetal Technologies is financed by a combination of venture capital, private investors and the management team.

The new investment is earmarked for expansion in order to meet customer demand for PowerMetal's innovative nanometals technology. The advanced materials nanotechnology applications company believes that it is now fully capitalized to meet its needs and hence closed the round. PowerMetal's unique nanotechnology allows our customers to create and market products that surpass previous levels of performance.

“With customer agreements from market-leading players in hand, we are now transitioning from designing and prototyping of nanometal components, to ramping up full-scale production to meet our volume commitments,” said Edward Hughes, PowerMetal President and CEO. “The funding also allows us to open the new PowerMetal Technologies NanoCenter, thus tripling our prototyping and pilot run capacity. I am delighted with the caliber of investors that have chosen to support PowerMetal Technologies, including venture funding from Toronto-based, Mosaic Capital Partners.”

PowerMetal's ultra-strong nanometals and alloys provide sporting goods and consumer products manufacturers with a tremendous opportunity to create game-changing products. PowerMetal's technology allows its customers to create structural layers of nanometal with revolutionary performance properties that enable unprecedented design flexibility and cost effective volume production. The company is currently working with many of the leading sporting goods companies in the major sports categories.

“The level of investor interest and the speed with which this financing was completed is a testimony to the quality of the PowerMetal investment opportunity,” said Ron Farmer, a Managing Director of Mosaic Capital Partners. “This is one of the few companies in the nanotech space that is currently producing and selling nanostructured products. A seasoned management team, extensive, market-tested IP, proven business model and significant customer commitments, made this a unique and compelling deal.”

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About PowerMetal Technologies:

PowerMetal Technologies is an advanced materials nanotechnology applications company and a leader in both the development and commercialization of nanotechnology for the sporting goods and consumer products industries. PowerMetal has an extensive intellectual property portfolio, with more than 70 worldwide patents that cover both products and processes. Based in Carlsbad, California and privately held, PowerMetal collaborates with industry leaders to design and develop nanometal components that deliver unique properties that enable sporting goods companies to create breakthrough products that significantly enhance their product's performance.

For more information on PowerMetal Technologies, Inc. please visit the company website: <http://www.powermetalinc.com/>.

For more information on Mosaic Capital partners. please visit the company website: <http://www.mosaicvp.com/>