
**POWER GROUP PROJECTS
CORP.**

**MANAGEMENT'S DISCUSSION AND
ANALYSIS OF FINANCIAL CONDITION AND
RESULTS OF OPERATIONS**

**For the three- and nine-months ended
October 31, 2020 and 2019**

(Expressed in Canadian Dollars)

POWER GROUP PROJECTS CORP.

Management's Discussion and Analysis of Financial Condition and Results of Operations
For three- and nine months ended October 31, 2020 and 2019

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1. INTRODUCTION

This Management's Discussion and Analysis ("MD&A") of Power Group Projects Corp. (referred to as "Power Group", the "Company", "us" or "our") provides analysis of the Company's financial results for the three and nine-months ended October 31, 2020. The following information should be read in conjunction with the accompanying annual financial statements for the year ended January 31, 2020, and the notes to those financial statements, prepared in accordance with IAS 34 under International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board. Please also refer to the tables starting on page 15 of this MD&A which compare certain financial results for the three and nine-months ended October 31, 2020. Financial information contained herein is expressed in Canadian dollars, unless stated otherwise. All information in this MD&A is current as of December 28, 2020 unless otherwise indicated. This MD&A is intended to supplement and complement Power Group's financial statements for the three- and nine-months ended October 31, 2020 and the notes thereto. Readers are cautioned that this MD&A contains "forward-looking statements" and that actual events may vary from management's expectations. Readers are encouraged to read the cautionary note contained herein regarding such forward-looking statements. This MD&A was reviewed, approved and authorized for issue by the Company's Audit Committee, on behalf of our Board of Directors, on December 28, 2020.

Description of Business

Power Group is a public company incorporated in British Columbia, under the "*Canadian Business Corporation Act*" on December 14, 2009 and its common shares are listed on the TSX Venture Exchange (the "**TSX:V**"), trading under the symbol ("**PGP**").

Head Office

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Share Information

Common shares are listed
for trading on the TSX:V
under the symbol "PGP".

Investor Information

Financial reports, news releases and
corporate information is available on
<https://www.powergroupproject.com>
and on SEDAR at www.sedar.com

Transfer Agent and Registrar

Computershare Investor
Services Inc. 510 Burrard
Street
Vancouver, BC V6C 3B9

Contact Information

Investors: Aleem Nathwani, CEO

1. INTRODUCTION

As at the date of this MD&A, Power Group's directors and officers are as follows:

Directors	Officers and Position
Aleem Nathwani (Chairman)	Aleem Nathwani, Chief Executive Officer
David Kwok	David Kwok, Chief Financial Officer
Yana Bobrovskaya	

2. FORWARD-LOOKING STATEMENTS

Certain statements contained in this MD&A constitute "*forward-looking statements*" within the meaning of Canadian securities legislation. These forward-looking statements are made as of the date of this MD&A and the Company does not undertake to update any forward-looking statement that may be made from time to time by the Company or on its behalf, except in accordance with applicable laws.

Forward-looking statements relate to future events or future performance and reflect management's expectations or beliefs regarding future events and include, but are not limited to, statements with respect to the estimation of mineral reserves and resources, the realization of mineral resource and mineral reserve estimates, the timing and amount of estimated future production, costs of production, capital expenditures, success of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage. Readers are cautioned that mineral resources that are not mineral reserves do not have demonstrated economic viability.

Except for statements of historical fact relating to the Company, certain information contained herein constitutes forward-looking statements. The words "may", "will", "continue", "could", "should", "would", "suspect", "outlook", "believes", "plan", "anticipates", "estimate", "expects", "intends" and words and expressions of similar import are intended to identify forward-looking statements.

Forward-looking statements include, without limitation, information concerning possible or assumed future results of the Company's operations. These statements are not historical facts and only represent the Company's current beliefs as well as assumptions made by and information currently available to the Company concerning anticipated financial performance, business prospects, strategies, regulatory developments, development plans, exploration and development activities and commitments and future opportunities.

Although management considers those assumptions to be reasonable based on information currently available to them, they may prove to be incorrect.

These statements are not guarantees of future performance and involve assumptions and risks and uncertainties that are difficult to predict. Therefore, actual results may differ materially from what is expressed, implied or forecasted in such forward-looking statements.

2. FORWARD-LOOKING STATEMENTS

By their very nature, forward looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance, or achievements of the Company to be materially different from any future results, performance, or achievements expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, and readers are advised to consider such forward-looking statements in light of the risk factors set forth below and as further detailed in the "*Risks and Uncertainties*" section of this MD&A.

These risk factors include, but are not limited to, fluctuation in metal prices which are affected by numerous factors such as global supply and demand, inflation or deflation, global political and economic conditions; the Company's need for access to additional capital to explore and develop its projects, the risks inherent in the exploration for and development of minerals including the risks of estimating the quantities and qualities of minerals, operating parameters and costs, receiving project permits and approvals, successful construction of mining and processing facilities, and uncertainty of ultimate profitability of mining operations, risks of litigation and other risks. The Company cautions that the foregoing list of factors that may affect future results is not exhaustive. When relying on any forward-looking statements in this MD&A to make decisions with respect to the Company, investors and others should carefully consider the risk factors set out in this MD&A and other uncertainties and potential events.

3. HIGHLIGHTS AND SUBSEQUENT EVENTS

- On February 10, 2020, the Company announced it had entered into an agreement with RJK Exploration Ltd ("RJK") to pursue kimberlite targets that RJK may identify on the Company's claims in the Cobalt, Ontario area. The term of the agreement will be for a period of three years from the date of acceptance. RJK will pay a fee of \$12,000 cash per year for three years for a total of \$36,000 to the Company to enter into an agreement whereby RJK will have the right to identify, sample and drill test with one diamond drill hole any identified potential kimberlite targets (Phase One). Should RJK determine that following its initial Phase One exploration to continue exploration to each and any identified target, then RJK and the Company will enter into a Participating Joint-Operating Agreement whereby RJK would have 60% interest and the Company would have a 40% interest. RJK would then provide the Company with a Phase two exploration budget, at which time, the Company will have 60 days to agree to participate. RJK will place their 60% of the proposed budget into a lawyer's trust account for the 60 days until the joint-venture is triggered. RJK will create a

3. HIGHLIGHTS AND SUBSEQUENT EVENTS

- Mining Management Committee for the purposes of allowing all parties to better understand the exploration plans. This includes, review of budgets, proposed work and the hiring of consultants. Should the Company decide not to participate then it will be reduced to a carried 1.5% GORR of which fifty percent (0.75%) can be purchased for a cash payment of \$1,000,000. Should RJK find mineralized zones other than kimberlites, the structure of the agreement would revert to 50% for RJK and 50% for the Company with RJK being the operator. RJK would then provide the Company with a Phase two exploration budget, at which time, the Company would have 60 days to agree to participate. RJK will place their 50% of the proposed budget into a lawyer's trust account for the 60 days until such time the joint venture is triggered. Should the Company agree to participate, a Management Mining Committee would be established. If the Company decides not to participate, then it will be reduced to a 1.5% NSR of which 50% (0.75%) may be purchased for \$1,000,000. Subject to Phase two and exploration by RJK a two kilometer area of interest surrounding the identified target, subject to claim availability, would be made available by the Company for exploration and development. Should the Company or any of its agents find economic minerals other than diamonds, then these claims on notice to RJK would be exempt from RJK having an interest.
- On April 23, 2020, The Company announce the appointment of new directors to the board and the appointment of a new executive management team for the Company. The new team is comprised of Aleem Nathwani, Chief Executive Officer, Chairman and Director, Yana Bobrovskaya, Director and David Kwok, Chief Financial Officer and Director. In connection with the foregoing, the Company announces the resignation of John Dyer as President, Chief Executive Officer and Director of the Company, Randy Koroll as Chief Financial Officer and Directors and the resignation of Brian Stecyk as a Director of the Company. The Board of Directors and management would like to thank Messrs. Dyer, Koroll and Stecyk for their contributions to the Company and wish them every success in their future endeavours.
- Since December 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as "COVID19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its operating subsidiaries, or on its ability to raise capital to fund operations, in future periods.
- On October 8, 2020 the Company announced that it has entered into a binding letter of intent (the "LOI") with Pallplat Metals Inc. ("Pallplat" or the "Vendors") for the acquisition of the Muddy Gullies project in Newfoundland, Canada (the "Muddy Gullies Property" or the "Property"). In consideration for the purchase of the Property, on signing of a definitive agreement, the Company will issue the shareholders of Pallplat 12,900,000 common shares in the capital of the Company. The Muddy Gullies Property is prospective for the exploration of platinum and palladium minerals and is comprised of 83 mineral claims.

4. HIGHLIGHTS AND SUBSEQUENT EVENTS

- The Property is located 28 kilometers northeast of Gander, Newfoundland. The completion of the transaction contemplated by the LOI remains subject to the Company and Pallplat entering into a definitive agreement and the approval of all regulatory and other approvals, including the approval of the TSX Venture Exchange.
- On November 12, 2020 the Company announced that, further to its press release of October 8, 2020, the Company has entered into a definitive share purchase agreement (the "Share Purchase Agreement") with Pallplat and the shareholders of Pallplat to acquire all of the issued and outstanding common shares in the capital of Pallplat (the "Acquisition"). Pallplat is a private company formed under the laws of Ontario, whose sole asset is a letter of intent (the "LOI") with the Prospectus Alliance Syndicate, whereby Pallplat has the option to earn a 100% interest in the Muddy Gullies project in Newfoundland, Canada (the "Property"). As consideration for the Acquisition, the Company will issue an aggregate of 11,700,000 common shares in the capital of the Company (each, a "Common Share") to the shareholders of Pallplat.

In connection with the Acquisition, the Company will enter into a mining option agreement (the "Option Agreement") with the Prospectus Alliance Syndicate (the "Syndicate") whereby the Syndicate will grant an option (the "Option") to the Company to acquire a 100% undivided interest in the Property. In order to exercise the Option the Company is required to: (i) pay an initial deposit of \$20,000, which has been paid by Pallplat, and additional cash payments of \$20,000 payable on each of the first three anniversaries of the LOI; (ii) issue 1,200,000 Common Shares upon receipt of the approval of the TSX Venture Exchange (the "TSXV") and an additional 600,000 Common shares to be issued on each the first three anniversaries of the LOI, and (ii) incur \$800,000 in expenditures in respect of the Property over a three-year period. In addition, Pallplat has agreed to reimburse the Syndicate for various expenses in the amount of \$4,895, which has been paid by Pallplat.

In the event that the Option is exercised, the Company will grant a 2% net smelter returns royalty ("NSR") in favour of the Syndicate, subject to the ability of the Company to purchase 0.75% of the NSR (resulting in the remaining NSR being 1.25%) for a purchase price of \$1,250,000 at any time before the commencement of commercial production on the Property. The completion of the Acquisition remains subject to the approval of all regulatory and other approvals, including the approval of the TSXV.

- On December 4, 2020 the Company announced that, further to its press releases of October 8, 2020 and November 12, 2020, the Company has received conditional approval from the TSXV for its previously announces acquisition (the "Acquisition") of all of the outstanding issued and outstanding common shares in the capital of Pallplat. Final approval and completion of the Acquisition is subject to certain conditions, including the completion of a technical report with respect to Muddy Gullies Property in accordance with National Instruction 43- 101 and the receipt of all required regulatory and other approvals.

5. PROPERTY SUMMARY

Smith-Cobalt Property

The Smith-Cobalt properties are located approximately 4km SE of Cobalt, Ontario and is comprised of both patent and staked claims totaling 2,100 acres.

The Smith Cobalt properties are underlain by a sequence of Archaean volcanic which are uncomfortably overlain by Huronian sediments. These formations have been intruded by the Proterozoic-age Nipissing diabase sill. Faulting, on both a regional and local scale, has been found by surface mapping and in drill cores. Polymetallic veining, and especially pinkish-white carbonate veins, has also been reported. Thus, all the necessary geological components of accepted mineralization models for silver-cobalt have been identified on the properties.

The second phase of the drilling program consisted of 16 holes and 2,345 m with the results as follows;

Highlights:

- The mineralized Smith Cobalt veins systems have been extended to over 400 m in strike length, from the western property boundary to the southeast towards the Smith Cobalt East surface.
- Significant concentrations of Co and Ag were encountered.
- Thick, highly anomalous zones of battery-related component metals (Cu, Ni, Zn) were intersected in multiple holes.
- Multiple mineralized veins were intersected in most holes.
- Confirmed and characterized vein systems mapped from historical mine workings.
- It was confirmed that the Smith Cobalt property lies in the same stratigraphic and structural setting as the nearby Deer Horn Mine.

Assay Highlights Include:

- 371.0 g/t Ag and 0.10% Co over 1.0m in hole 17-23
- 0.20% Co over 4.0m in hole 17-23
- 1.15 g/t Ag over 64.0m in hole 17-22
- 5.73 g/t Ag, 0.17% Cu, 0.29% Pb and 0.43% Zn over 6.0m in hole 17-24
- 3.08 g/t Ag over 49.2m in hole 17-25
- 211.0 g/t Ag and 0.193 g/t Au over 0.20m in hole 17-25
- 22.7 g/t Ag, 0.27% Co, 0.52% Cu and 0.439 g/t Au over 1.0m in hole 17-25

Holes 17-21 to 17-25 were drilled to extend the known vein systems extending to the southeast from the Smith Cobalt shaft. These holes were successful in extending the mineralized strike length to over 400 m from the western property boundary. This includes silver concentrations up to 371 g/t over 1.0m in hole 17-23, and cobalt concentrations up to 0.20% over 4.0 m in hole 17-22. Holes 17-23 and 17-24 ended short of the planned target, having intersected what is probably old mine workings, or at least intense fracturing around those workings.

4. PROPERTY SUMMARY

Smith-Cobalt Property (Continued)

Holes 17-10 to 17-19 were short holes drilled under the Smith Cobalt East outcrop (see July 17, 2018 news release, 12.5% Co, 82.2 g/t Ag and 5.0 g.t Au in a 10cm wide vein). All the holes intersected quartz-calcite veining with occasional significant values. It appears that the main mineralization may be offset by a major NE-SW fault cutting across the outcrop.

Hole 17-20 was drilled at a steep angle to test the thickness of the diabase. The hole was stopped at 321.0 m, still in diabase. The variable textures and mineral content of the diabase suggests that this may be a feeder dyke for the sill. Of particular note is the very long intersection of highly anomalous nickel (0.03% Ni over 71.0 m).

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4. PROPERTY SUMMARY

Smith-Cobalt Property (Continued)

Smith Cobalt - Phase 2 Drill Results										
Hole #	From	To	Length	Ag	Au	Co	Cu	Ni	Pb	Zn
SC-17-10	25.88	26.36	0.48	3.07 g/t			0.06			0.64
SC-17-11	No significant values									
SC-17-12	35.85	39	3.15	0.66 g/t						
SC-17-13	35.49	36.12	0.63	3.22 g/t						
SC-17-14	37.6	39.15	1.55	2.13 g/t						
SC-17-15	68.11	70	1.89	0.88 g/t						
SC-17-16	37	37.4	0.4	7.40 g/t						0.85%
SC-17-17	58	59	1	3.41 g/t						
SC-17-18	3.6	60	56.4	0.83 g/t						
SC-17-19	No significant values									
SC-17-20	44	46	2	4.95 g/t						
	169	240	71					0.03%		
SC-17-21	59	60	1	16.70 g/t						
	71.4	78	6.6	2.31 g/t						
	144	145	1	4.65 g/t						
	279	288	9				0.06%			
	348	350	2	3.69 g/t			0.10%		0.07%	0.14%
SC-17-22	236	300	64	1.15 g/t						
Including	276	283.33	7.33	3.27 g/t	0.13 g/t					
Including	281	282	1	9.27 g/t						
And	234	249	15							0.10%
	261	265.7	4.7							0.30%
SC-17-23	118	147	29	14.09 g/t						
Including	121	126	5	76.19 g/t						
Including	121	122	1	371.00 g/t		0.11%			1.79%	
And	133	142	9	2.19 g/t		0.10%	0.23%			
Including	136	140	4	1.16 g/t		0.20%				
SC-17-24	9	9.25	0.25		0.26 g/t					
	159	165	6	5.73 g/t			0.17%		0.29%	0.43%
SC-17-25	130.8	180	49.2	3.08 g/t						
Including	130.8	151	20.2	4.37 g/t						
Including	130.8	131	0.2	211.00 g/t	0.193 g/t					
And	163.43	163.64	0.21	90.50 g/t						
And	174.60b	178	3.4	7.63 g/t			0.18%			
Including	177	178	1	22.70 g/t	0.44 g/t	0.27%	0.52%			
	188	204	16	1.15 g/t						
	211.5	213	1.5	7.97 g/t					1.00%	
	222	247	25	1.42 g/t					0.04%	0.17%
Including	224	232	8	2.66 g/t						0.40%
	244.3	244.5	0.2	10.90 g/t					0.73%	1.27%

4. PROPERTY SUMMARY

Smith-Cobalt Property (Continued)

The first phase of drilling was completed during the summer of 2018. Ground and airborne geophysics, along with historical mapping data and 3D modeling, were used to delineate the targets that were tested during the program. The campaign consisted of 9 diamond drill holes for 1897 meters (6,224 ft.), focusing on the northwestern section of the property, and was carried out by G4 Drilling, based out of Val-d'Or, Quebec. The objectives of the drill program were to expand the Company's knowledge of the geological setting of the known veins that extend from the nearby Deer Horn Mine onto the Smith Cobalt property, to extend the strike length of those veins from the historic Smith Cobalt underground workings toward the southeast, and to confirm the values deduced from the muck pile sampling and make initial determinations of grade and thickness. This phase of drilling was carried out entirely on patented land.

The phase 1, 9 holes, 1,896 m drill results for were as follows:

Highlights:

- Several zones with high-grade cobalt and silver were intersected.
- Thick, highly anomalous zones of battery-related component metals (Cu, Ni, Zn) were intersected in multiple holes.
- Multiple mineralized veins were intersected in most holes.
- Confirmed and characterized vein swarms mapped from historical mine workings.
- Confirmed that the Smith Cobalt property lies in the same stratigraphic and structural setting as the nearby Deer Horn Mine, currently owned and formerly operated by Agnico Eagle.

Assay Highlights Include:

- 1.71% Co and 42.5 g/t Ag over 0.10 m in hole 17-03.
- 1.85 g/t Ag over 56.0 m in hole 17-03
- 1.39 g/t Ag over 72.5 m in hole 17-04
- 0.22% Cu over 14.0 m in hole 17-04
- 0.13% Zn over 33.0 m in hole 17-04
- 0.11% Ni over 30.66 m in hole 17-06
- 0.17% Pb over 17.49 m in hole 17-04

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4. PROPERTY SUMMARY

Smith-Cobalt Property (Continued)

Smith Cobalt - Phase 1 Drill Results							
Hole #	From	To	Length	Grade	Element	Rock Type	
17-01	122.7	123.2	0.5	0.12%	Co	Cong + vein stockwork	
	245.00	247.00	2.00	2.09 g/t	Ag	Mafic volc	
	244.00	249.00	5.00	0.128 g/t	Au	Mafic volc	
	240.00	245.00	5.00	0.10%	Cu	Mafic volc	
	228.87	249.00	20.13	0.10%	Ni	Mafic volc + stockwork	
	226.36	234.85	8.49	0.12%	Ni	Mafic volc	
17-02	NSV						
17-03	113.00	115.15	2.15	0.07%	Co	Qtz-calc vein in cong	
	182.00	182.10	0.10	1.71%	Co	Qtz-calc vein	
	185.25	185.36	0.11	0.23%	Co	Qtz-calc vein	
	148.00	204.00	56.00	1.85 g/t	Ag	Bedded tuff/dacite/chert	
	Including	182.00	182.10	0.10	42.5 g/t	Ag	Qtz-calc vein
		184.39	184.49	0.10	15.6 g/t	Ag	Qtz-calc vein
		186.25	186.35	0.10	38.2 g/t	Ag	Qtz-calc vein
		190.43	190.53	0.10	16.0 g/t	Ag	Qtz-calc vein
		148.00	166.00	18.00	0.09%	Zn	Bedded tuff/dacite/chert
		169.00	181.60	12.60	0.10%	Zn	Bedded tuff/dacite/chert
17-04	189.00	200.00	11.00	0.08%	Zn	Bedded tuff/dacite/chert	
	138.25	139.00	0.75	0.13%	Co	Chert bed	
	144.78	147.00	2.22	0.03%	Co	Lamprophyre dyke	
	193.76	195.70	1.94	0.10%	Co	Qtz-calc stockwork	
	194.34	194.63	0.29	0.57%	Co	Qtz-calc vein	
	117.00	189.50	72.50	1.39 g/t	Ag	Bedded tuff/dacite	
		134.00	152.00	18.00	2.70 g/t	Ag	Bedded tuff/dacite
	Including	138.25	147.66	9.41	3.58 g/t	Ag	Bedded tuff/dacite
		192.00	199.44	7.44	2.52 g/t	Ag	Qtz-calc stockwork
	Including	193.76	194.34	0.58	13.0 g/t	Ag	Qtz-calc vein
210.83		216.00	5.17	1.01 g/t	Ag	Tuff + qtz-calc stockwork	
136.00		150.00	14.00	0.22%	Cu	Bedded tuff/dacite	
120.00		136.00	16.00	0.25%	Zn	Bedded tuff/dacite	
147.00		180.00	33.00	0.13%	Zn	Bedded tuff/dacite	
Including		119.00	136.49	17.49	0.17%	Pb	Bedded tuff/dacite
		144.78	150.85	6.07	0.25%	Pb	Bedded tuff/dacite
		118.00	120.00	2.00	0.10%	Cu	Conglomerate
17-06	114.72	116.37	1.65	0.05%	Co	Cong + qtz-calc stockwork	
	180.00	187.66	7.66	1.21 g/t	Ag	Mafic-um volc	
	197.10	200.00	2.90	3.16 g/t	Ag	Conglomerate	
	157.00	187.66	30.66	0.11%	Ni	Dacite tuff	
17-07	106.20	106.40	0.20	1.74 g/t	Ag	Cong + chlorite spots	
	119.00	125.00	6.00	0.07%	Cu	Cong + chlorite spots	
17-08	146.00	147.10	1.10	1.92 g/t	Ag	Mafic-um volc	
	163.00	164.00	1.00	6.10 g/t	Ag	Dacite tuff/chert	
	174.00	175.85	1.85	2.98 g/t	Ag	Dacite tuff/chert	
	197.00	199.00	2.00	1.05 g/t	Ag	Dacite tuff/chert	
	138.66	147.10	8.44	0.10%	Ni	Mafic-um volc	
	17-09	145.00	145.30	0.30	0.05%	Co	Dacite tuff
			and	13.7 g/t	Ag		
			and	>1.0%	Cu		

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5. SELECTED ANNUAL RESULTS

	Year Ended 31-Jan-20	Year Ended 31-Jan-19	Year Ended 31-Jan-18
Loss before non-operating income	\$ (1,117,145)	\$ (7,753,458)	\$ (10,337,214)
Loss before income taxes	\$ (1,117,145)	\$ (7,753,458)	\$ (10,337,214)
Loss per common share, basic and diluted	\$ (0.07)	\$ (0.52)	\$ (1.62)
Net and comprehensive loss	\$ (991,964)	\$ (7,728,939)	\$ (10,157,322)
Net and Comprehensive Loss per Common Share, Basic and Diluted	\$ (0.06)	\$ (1.52)	\$ (1.62)
Weighted average number of shares outstanding	15,860,562	14,771,007	6,278,901
Financial Position			
Total assets	\$ 360,543	\$ 1,496,964	\$ 2,724,982

6. SUMMARY OF QUARTERLY RESULTS

The summary of the quarterly results are as follows:

Three months ended	31-Oct-20	31-Jul-20	30-Apr-20	31-Jan-20
Loss before non-operating expenses	\$ (35,906)	\$ (38,514)	\$ (16,806)	\$ (526,992)
Loss before income taxes	\$ (35,906)	\$ (38,514)	\$ (16,806)	\$ (526,992)
Loss per common share, basic and diluted	\$ (0.00)	\$ (0.00)	\$ (0.03)	\$ (0.03)
Net and comprehensive loss	\$ (35,906)	\$ (38,514)	\$ (160,806)	\$ (406,992)
Net and Comprehensive Loss per Common Share, Basic and Diluted	\$ (0.00)	\$ (0.00)	\$ (0.03)	\$ (0.03)

Three months ended	31-Oct-19	31-Jul-19	30-Apr-19	31-Jan-19
Loss before non-operating expenses	\$ (176,479)	\$ (235,521)	\$ (178,153)	\$ (4,581,446)
Loss before income taxes	\$ (176,479)	\$ (235,521)	\$ (178,153)	\$ (4,581,446)
Loss per common share, basic and diluted	\$ (0.02)	\$ (0.01)	\$ (0.01)	\$ (0.52)
Net and comprehensive loss	\$ (176,479)	\$ (232,956)	\$ (175,537)	\$ (4,681,024)
Net and Comprehensive Loss per Common Share, Basic and Diluted	\$ (0.02)	\$ (0.01)	\$ (0.01)	\$ (0.52)

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7. DISCUSSION OF OPERATIONS

All of the information described below is accounted for in accordance with IFRS, as issued by IASB. The reader is encouraged to refer to Note 3 of the Company's annual financial statements for the year ended January 31, 2020 and condensed interim financial statements for the three and nine months ended October 31, 2020 for the summary of significant accounting policies.

Nine-months ended October 31, 2020 Compared to October 31, 2019

For the nine months ended October 31, 2020, the Company recorded a net and comprehensive loss of \$91,227 or \$0.01 per share compared to a net and comprehensive loss of \$590,153 or \$0.04 per share in the comparable nine months ended October 31, 2019. The overall decrease in net and comprehensive loss of \$493,745 is due to a reversal of exploration and evaluation expenditures and operating expenses.

	Period ended 31-Oct-20	Period ended 31-Oct-19	Variance	Discussion
Consulting	49,869	292,758	(242,889)	Consulting fees have decreased dramatically compared to the prior comparative period as the Company looks to conserve cash.
Depreciation	2,125	4,747	(2,622)	Depreciation decreased due to the timing of items being fully amortized.
Exploration and evaluation expenditures	(69,842)	17,328	(87,170)	No exploration and evaluation expenditures were incurred during the period and the Company has reversed accruals of prior period expenditures.
Insurance	3,715	21,306	(17,591)	Insurance expense has decreased due to the Company looking to conserve cash.
Office	3,423	42,078	(38,655)	Office expenses have decreased comparable to comparative period as the Company is looking to conserve cash.
Management fees	50,850	-	-	Management fees relate to new management fees.
Professional fees	19,409	130,873	(111,464)	Professional fees decreased compared to the comparative period due to reduced activity in this year.
Promotion and entertainment	-	4,684	(4,684)	Promotion and entertainment decreased due to efforts to maintain costs at a minimum.
Rent	13,780	30,306	(16,526)	Rent expense has decreased year to date over last year due to efforts to maintain costs at a minimum.
Shareholder communications	1,586	20,995	(19,409)	Shareholder communications decreased compared to the comparative period due to reduced activity in this year.
Transfer agent and regulatory fees	16,312	24,958	(8,646)	Transfer agent and regulatory fees relate to costs of keeping a company public.
Travel	-	120	(120)	Travel decreased compared to the comparative period due to reduced activity in this year.
Foreign exchange (gain)/loss	-	137	(137)	Minimal foreign-based transactions were undertaken during the year compared to the comparative year due to activity decreasing.
Interest income	-	(5,318)	5,318	Interest income decreased as the Company held less interest bearing items.

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7. DISCUSSION OF OPERATIONS**Three-months ended October 31, 2020 Compared to October 31, 2019**

For the period ended October 31, 2020, the Company recorded a net and comprehensive loss of \$35,906 or \$0.00 per share compared to a net and comprehensive loss of \$176,479 or \$0.02 per share in the comparable three months ended October 31, 2019. The overall decrease in net and comprehensive loss of \$139,763 is due to the decrease in exploration and evaluation expenditures and operating expenses.

	Period ended	Period ended	Variance	Discussion
	31-Oct-20	31-Oct-19		
Consulting	26,030	123,026	(96,996)	Consulting fees have decreased dramatically compared to the prior comparative period as the Company looks to conserve cash.
Depreciation	708	-	708	Depreciation expense is due to the timing of items being amortized.
Exploration and evaluation expenditures	(33,750)	5,093	(38,843)	No exploration and evaluation expenditures were incurred during the period and the Company has reversed accruals of prior period expenditures.
Insurance	1,915	5,615	(3,700)	Insurance expense has decreased due to the Company looking to conserve cash.
Office	924	1,238	(314)	Office expenses have decreased comparable to comparative period as the Company is looking to conserve cash.
Management fees	9,000	-		Management fees relate to new management fees.
Professional fees	19,409	30,409	(11,000)	Professional fees decreased compared to the comparative period due to reduced activity in this year.
Promotion and entertainment	-	68	(68)	Promotion and entertainment decreased due to efforts to maintain costs at a minimum.
Rent	10,000	-	10,000	Rent expense has increased due to the fact that the Company just entered into a rental agreement.
Shareholder communications	-	2,750	(2,750)	Shareholder communications decreased due to efforts to maintain costs at a minimum.
Transfer agent and regulatory fees	1,670	7,470	(5,800)	Transfer agent and regulatory fees decreased due to efforts to maintain costs at a minimum.

8. LIQUIDITY AND CAPITAL RESOURCES

Liquidity

As an exploration company, the Company has no regular cash in-flow from operations, and the level of activities is principally a function of availability of capital resources. To date, the principal source of funding has been equity financing.

As at October 31, 2020, the Company had \$42,496 in cash (October 31, 2019 - \$639,075). For the foreseeable future, as existing properties are explored and developed, the Company will continue to seek capital through the issuance of equity, strategic alliances or joint ventures, and debt, of which the Company currently has none.

Significant expenditures are required to establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. The recoverability of valuations assigned to exploration and development mineral properties are dependent upon discovery of economically recoverable reserves, the ability to obtain the necessary financing to complete exploration, development and future profitable production or proceeds from the disposition of mineral assets.

Although management has made its best estimate of these factors, it is reasonably possible that certain events could adversely affect management's estimates of recoverable amounts and the need for, as well as the amount of, provision for impairment in the carrying value of exploration properties and related assets.

Many factors influence the Company's ability to raise funds, and there is no assurance that the Company will be successful in obtaining adequate financing and at favourable terms for these or other purposes including general working capital purposes. The Company's condensed interim consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and settlement of liabilities in the normal course of business for the foreseeable future. Realization values may be substantially different from carrying values, as shown, and these condensed interim consolidated financial statements do not give effect to the adjustment that would be necessary to the carrying values and classifications of assets and liabilities should the Company be unable to continue as a going concern.

Working Capital

As at October 31, 2020, the Company had working capital surplus/(deficit) of \$(52,384) (January 31, 2020 – \$134,256). The working capital has declined since January 31, 2020 due to no new private placements or warrants exercised during the period, along with the operational costs incurred while pursuing potential projects. The Company has managed its working capital by controlling its spending on its properties and operations. Due to the ongoing planned exploration acquisitions over the near term, the Company intends to continue to incur expenditures without revenues and accumulate operating losses. Therefore, our continuance as a going concern is dependent upon our ability to obtain adequate financing to fund future exploration and development, to reach profitable levels of operation. It is not possible to predict whether future financing efforts will be successful or whether financing on favourable terms will be available.

The Company has no long-term debt and no long-term liabilities. The Company has no capital lease obligations, operating or any other long-term obligations, other than office and core shack rent.

8. LIQUIDITY AND CAPITAL RESOURCES

Capital Resources

The Company had \$42,496 on October 31, 2020, in cash.

Contractual Commitments

The Company's exploration activities are subject to various federal, provincial and international laws and regulations governing the protection of the environment. These laws and regulations are continually changing and are generally becoming more restrictive. The Company conducts its operations to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to continue to make in the future, filings and expenditures to comply with such laws and regulations.

Capital Risk Management

The Company's capital structure consists of common shares, stock options and warrants. The Company manages its capital structure and adjusts it, based on available funds, to support the acquisition and exploration of mineral properties. The Board does not establish quantitative returns on capital criteria for management.

The mineral properties in which the Company currently has an interest in is in the exploration stage. As such, the Company is dependent on external financing to fund its activities. To carry out and pay for planned exploration and development along with operating administrative costs, the Company will fund such costs out of existing working capital and additional amounts raised.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the nine months ended October 31, 2020. The Company is not subject to externally imposed capital requirements. The Company's investment policy is to invest its surplus cash in highly liquid short-term interest-bearing investments with maturities of year or less from the original date of acquisition, all held with major Canadian financial institutions.

9. TRANSACTIONS WITH RELATED PARTIES

Related parties include key management personnel and companies under the control of key management personnel. Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Board and corporate officers, including the Company's Chief Executive Officer, Chief Financial Officer, and Chief Operating Officer.

At October 31, 2020, included in accounts payable and accrued liabilities is \$10,515 (January 31, 2020 – \$6,125) owing to companies controlled by either a director or an officer. These amounts payable are non-interest bearing, unsecured and have neither specific terms nor a date of repayment.

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9. TRANSACTIONS WITH RELATED PARTIES

For the nine months ended October 31, 2020, \$Nil (October 31, 2019 - \$Nil) was paid in rent to a company controlled by an officer of the Company.

For the nine months ended October 31, 2020, \$(69,842) (October 31, 2019 - \$Nil) were reversed towards the Smith Cobalt project for services rendered by companies controlled by directors.

During the nine months ended October 31, 2020 and 2019, key management compensation consisted of the following:

For the periods ended	October 31, 2020	October 31, 2019
Consulting & management fees	\$ 88,521	\$ 55,379
	\$ 88,521	\$ 55,379

In addition to the amounts disclosed above, the Company has also made loans to third-party corporations that, at the time, shared common key management personnel. During the nine months ended October 31, 2020 the Company made loans consisting of the following:

For the periods ended	October 31, 2020	January 31, 2020
Gold Rush Cariboo Corp.	\$ 49,665	\$ 277,990
SBD Capital Corp.	33,937	254,246
Pedro Resource Ltd.	13,936	87,197
	\$ 97,538	\$ 619,433

These loans are non-interest bearing and have no fixed terms of repayment. As at January 31, 2020, due to economic uncertainty the Company has recorded a provision for bad debts in the amount of \$619,433.

10. FINANCIAL INSTRUMENTS AND RELATED RISKS

The Board, through the Audit Committee, is responsible for identifying the principal risks facing the Company and ensuring that risk management systems are implemented. The Company manages its exposure to financial risks, including credit risk, liquidity risk, interest rate risk, foreign exchange rate risk and commodity price risk in accordance with its risk management framework. The Board reviews the Company's policies periodically.

The following table sets forth the Company's financial assets and liabilities that are measured at fair value on a recurring basis by level within the fair value hierarchy. As at October 31, 2020, those financial assets and liabilities are classified in their entirety based on the level of input that is significant to the fair value measurement.

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10. FINANCIAL INSTRUMENTS AND RELATED RISKS

The Company's financial assets and financial liabilities are categorized as follows:

	As at October 31, 2020			As at January 31, 2020	
	Input Level	Carrying Amount	Estimated Fair value	Carrying Amount	Estimated Fair Value
<i>Financial Assets:</i>					
Cash	1	\$ 42,496	\$ 42,496	\$ 317,410	\$ 317,410
		\$ 42,496	\$ 42,496	\$ 317,410	\$ 317,410

	As at October 31, 2020			As at January 31, 2020	
	Input Level	Carrying Amount	Estimated Fair value	Carrying Amount	Estimated Fair Value
<i>Financial Liabilities:</i>					
Current Liabilities	1	\$ 102,553	\$ 102,553	\$ 214,162	\$ 214,162
		\$ 102,553	\$ 102,553	\$ 214,162	\$ 214,162

Fair values

For the Company's financial instruments, including receivables, accounts payable and accrued liabilities, the carrying amounts approximate fair value due to their immediate or short-term maturity.

Currency risk

The Company currently does not have any significant exposure to foreign currency risk.

Credit risk

Credit risk arises from cash held with banks and financial institutions, and the risk that the counterparty of related party receivables will default on its contractual obligations resulting in a financial loss to the Company. The maximum exposure to credit risk is equal to the carrying value of the financial assets. To reduce credit risk, cash is held at major financial institutions.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company tries to ensure that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash. Currently, the Company's source of funding is from the issuance of equity securities for cash, primarily through private placements. As at October 31, 2020, the Company had cash of \$42,496 (January 31, 2020 - \$317,410) and accounts payable and accrued liabilities of \$102,553 (January 31, 2020 - \$214,162).

11. RISKS AND UNCERTAINTIES

A discussion of the risks and uncertainties that the Company faces can be found in the Company's annual financial statements for the year ended January 31, 2020 (available under the Company's SEDAR profile at www.sedar.com). Furthermore, additional risks and uncertainties not presently known to the Company or that the Company currently considers immaterial may also impair its business operations in the future.

12. DISCLOSURE OF OUTSTANDING SHARE DATA

Common Shares

a) Authorized

An unlimited number of common shares without par value.

b) Issued and Outstanding

As at October 31, 2020 the Company had 15,860,562 common shares issued and outstanding and 15,860,562 common shares issued and outstanding as at December 28, 2020.

c) Warrants

A summary of the changes in the share purchase warrants for the nine months ended October 31, 2020 compared to the year ended January 31, 2020 are as follows:

	Number	Weighted Average Exercise Price
Balance at January 31, 2019	1,112,752	\$2.90
Expired	(946,952)	2.83
Balance at January 31, 2020	165,800	\$2.90
Expired	(165,800)	\$3.32
Balance at October 31, 2020	-	\$-
Exercisable at October 31, 2020	-	\$-

d) Stock Options

The Company has a fixed stock option plan which follows the policies of the TSX Venture Exchange ("TSX-V") regarding stock option awards granted to directors, officers, employees and consultants.

The stock option plan allows a maximum of 10% of the issued shares to be reserved for issuance under the plan.

12. DISCLOSURE OF OUTSTANDING SHARE DATA

There were no issuances of stock option for the nine months ended October 31, 2020.

Stock options for the nine months ended October 31, 2020 and January 31, 2020 are:

	Number	Weighted Average Exercise Price
Balance at January 31, 2019 and January 31, 2020	1,072,500	\$1.85
Expired	(1,014,000)	\$1.88
Balance at October 31, 2020	58,500	\$1.26
Exercisable at October 31, 2020	58,500	\$1.26

13. OFF-BALANCE SHEET ARRANGEMENTS

During the three and nine -months ended October 31, 2020, the Company was not a party to any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations, financial condition, revenues or expenses, liquidity, capital expenditures or capital resources of the Company.

14. CRITICAL ACCOUNTING ESTIMATES

The preparation of the condensed interim consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the condensed interim consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Uncertainty about these judgments, estimates and assumptions could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in future periods.

The significant areas of estimation uncertainty considered by management in preparing the condensed interim consolidated financial statements are as follows:

- (i) Share-based compensation expense:

The Company uses the Black-Scholes option pricing model to determine the fair value of options in order to calculate share-based compensation expense. The Black-Scholes model involves six key inputs to determine the fair value of an option: risk-free interest rate, exercise price, market price at the date of issue, expected dividend yield, expected life, and expected volatility. Certain of the inputs are estimates that involve considerable judgment and are or could be affected by significant factors that are out of the Company's control. The Company is also required to estimate the future forfeiture rate of options based on historical information in its calculation of share-based compensation expense.

15. CRITICAL ACCOUNTING ESTIMATES

(ii) Valuation of broker warrants:

The Company uses the Black-Scholes option pricing model to calculate the fair value of broker warrants issued in connection with the Company's private placements. The Black-Scholes model requires six key inputs to determine a value for a broker warrant: risk free interest rate, exercise price, market price at date of issue, expected dividend yield, expected life and expected volatility. Certain of the inputs are estimates which involve considerable judgment and are, or could be, affected by significant factors that are out of the Company's control. For example, a longer expected life of the broker warrant or a higher volatility number used would result in an increase in the broker warrant fair value.

The significant areas of judgment considered by management in preparing the condensed interim consolidated financial statements are as follows:

(i) Going concern:

The Company's management has made an assessment of the Company's ability to continue as a going concern and the condensed interim consolidated financial statements continue to be prepared on a going concern basis. The Company has no sources of revenue and remains dependent on its ability to obtain financing which may cast significant doubt upon the Company's ability to continue as a going concern. The condensed interim consolidated financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

(ii) Deferred tax assets:

Deferred tax assets are recognized in respect of tax losses and other temporary differences to the extent it is probable that taxable income will be available against which the losses can be utilized. Judgment is required to determine the amount of deferred tax assets that can be recognized based upon the likely timing and level of future taxable income together with future tax planning strategies.

16. APPROVAL

The Audit Committee of Power Group Projects Corp. has reviewed and approved the disclosure contained in this October 31, 2020 MD&A. A copy of this MD&A will be provided to anyone who requests it and it is also available under our SEDAR profile at www.sedar.com.