



POWER GROUP ANNOUNCES ACQUISITION OF 1315843 B.C. LTD.

NOT FOR DISSEMINATION OR DISTRIBUTION IN THE UNITED STATES OF AMERICA

December 23, 2021 – Toronto, Ontario - Power Group Projects Corp. (TSXV: PGP) (the “Company”) is pleased to announce that, further to its press releases of October 18, 2021 and December 9, 2021, the Company has acquired (the “Transaction”) all of the issued and outstanding common shares of 1315843 B.C. Ltd. (“BCCo”) pursuant to an arm’s length share purchase agreement (the “Share Purchase Agreement”) dated December 8, 2021 among the Company, BCCo and the shareholders of BCCo (collectively, the “Vendors”). BCCo is a private company incorporated under the laws of the Province of British Columbia, whose sole asset is an option agreement dated August 9, 2021 (the “Option Agreement”) with Cloudbreak Discovery PLC (“Cloudbreak”) and Cloudbreak Discovery (Canada) Ltd. (together with Cloudbreak, the “Optionor”), whereby BCCo has the option (the “Option”) to earn a 75% interest in certain mineral claims in the Province of British Columbia (the “Property” or the “Atlin West Project”).

As consideration for the Transaction, the Company (i) issued an aggregate of 24,000,000 common shares in the capital of the Company (the “Common Shares”), at a price of \$0.05 per Common Share to the Vendors; (ii) make a refundable cash payment in the amount of \$50,000 to BCCo upon signing of the LOI, to be released upon signing of a definitive agreement (which the Company has completed), and (iii) made cash payment in the amount of \$50,000 to BCCo, or as BCCo may direct, upon closing of the Transaction. The Common Shares issued pursuant to the Transaction will be subject to a regulatory four month hold period.

The Option Agreement

Under the terms of the Option Agreement, BCCo may exercise the Option to acquire a 75% interest in the Property upon payment of an aggregate of \$325,000 in cash payments (the “Option Payments”) and incurring an aggregate of \$700,000 in expenditures (the “Expenditures”) on the Property as follows:

- a \$50,000 Option Payment on October 8, 2021 (the “Effective Date”);
- a \$50,000 Option Payment on the earlier of: (i) the date on which BCCo enters into a go public agreement; and (ii) the date that is two months following the Effective Date;
- incurring \$150,000 in Expenditures on or before the first anniversary of the Effective Date;
- a \$75,000 Option Payment on or before the second anniversary of the Effective Date and incurring an additional \$200,000 in Expenditures or before the second anniversary of the Effective Date; and
- a \$150,000 Option Payment on or before the third anniversary of the Effective Date and incurring an additional \$350,000 in Expenditures or before the third anniversary of the Effective Date.

Upon the exercise of the Option, BCCo grant a 2% net smelter returns royalty (“NSR”) in favour of Cloudbreak, subject to the ability of BCCo to purchase 1% of the NSR (resulting in the remaining NSR being 1%) for a purchase price of \$1,500,000 at any time.

BCCo confirms that first two Option Payments have been made in accordance with the Option Agreement.

The securities issued in connection with the Transaction will not be registered under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”), or any U.S. state securities laws, and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons (as defined under the U.S.

Securities Act) absent registration or any applicable exemption from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. This news release shall not constitute an offer to sell or the solicitation of an offer to buy securities in the United States, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

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Cautionary Statement on Forward-Looking Information

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

This news release contains certain “forward-looking information” within the meaning of applicable securities laws. Forward looking information is frequently characterized by words such as “plan”, “expect”, “project”, “intend”, “believe”, “anticipate”, “estimate”, “may”, “will”, “would”, “potential”, “proposed” and other similar words, or statements that certain events or conditions “may” or “will” occur. These statements are only predictions. Forward-looking information is based on the opinions and estimates of management at the date the information is provided, and is subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking information. For a description of the risks and uncertainties facing the Company and its business and affairs, readers should refer to the Company’s Management’s Discussion and Analysis. The Company undertakes no obligation to update forward-looking information if circumstances or management’s estimates or opinions should change, unless required by law. The reader is cautioned not to place undue reliance on forward-looking information.