

FORM 51-102F3
MATERIAL CHANGE REPORT

1. **Name and Address of Company**

Power Group Projects Corp. (the “**Company**”)
999 West Hastings Street, Mailbox 55
Vancouver, BC V6C 2W2

2. **Date of Material Change**

August 29, 2022

3. **News Release**

A press release disclosing the material change was released on August 29, 2022, through the facilities of Newsfile Corp.

4. **Summary of Material Change**

On August 29, 2022, the Company acquired (the “**Transaction**”) all of the issued and outstanding common shares of 1311516 B.C. Ltd. (“**BCCo**”) pursuant to an arm’s length share purchase agreement (the “**Share Purchase Agreement**”) dated June 6, 2022 among the Company, BCCo and the shareholders of BCCo (collectively, the “**Vendors**”).

5. **Full Description of Material Change**

Pursuant to the Transaction, all of the issued and outstanding common shares of BCCo. pursuant to the Share Purchase Agreement dated June 6, 2022 among the Company and the Vendors.

BCCo is a private company incorporated under the laws of the Province of British Columbia, whose sole assets are option agreements dated February 25, 2022 and March 3, 2022 (the “**Option Agreements**”) with Cloudbreak Discovery PLC (“**Cloudbreak**”) and Cloudbreak Discovery (Canada) Ltd. (together with Cloudbreak, the “**Optionor**”), whereby BCCo has the option (the “**Option**”) to acquire a 75% interest in certain mineral claims in the Province of British Columbia (the “**Rizz Project**” and the “**Icefall Project**”).

As consideration for the Transaction, the Company issued an aggregate of 46,200,000 common shares in the capital of the Company (the “**Common Shares**”), at a price of \$0.05 per Common Share to the Vendors. The Common Shares issued pursuant to the Transaction will be subject to a regulatory four month hold period.

Under the terms of the Rizz Option Agreement, BCCo may exercise the Rizz Option to acquire a 75% interest in the Rizz Project upon payment of an aggregate of \$120,000 in cash payments (the “**Rizz Option Payments**”) and incurring an aggregate of \$750,000 in expenditures (the “**Rizz Expenditures**”) on the Rizz Project as follows: a \$25,000 Rizz Option Payment on February 25, 2022 (the “**Rizz Effective Date**”); a \$25,000 Rizz Option Payment on the date which BCCo enters into a binding agreement with a third party in connection with a transaction that will result in shareholders of BCCo holding shares in a “reporting issuer” as defined under the Canadian securities laws that is listed on a recognized Canadian stock exchange; a \$20,000 Rizz Option Payment on or before the first anniversary of the Rizz Effective Date; a \$50,000 Rizz Option Payment on or before the second anniversary of the Rizz Effective Date and incurring an additional \$200,000 in Rizz Expenditures or before the second anniversary of the Rizz Effective Date; and incurring an additional \$500,000 in Rizz Expenditures or before the third anniversary of the Rizz Effective Date.

BCCo confirms that the initial payment of \$25,000 has been made in accordance with the Rizz Option Agreement. In addition, the Optionor was issued 3,000,000 common shares in the capital of BCCo on the Rizz Effective Date.

- Under the terms of the Icefall Option Agreement, BCCo may exercise the Icefall Option to acquire a 75% interest in the Icefall Project upon payment of an aggregate of \$120,000 in cash payments (the "**Icefall Option Payments**") and incurring an aggregate of \$700,000 in expenditures (the "**Icefall Expenditures**") on the Icefall Project as follows: a \$25,000 Icefall Option Payment on March 3, 2022 (the "**Icefall Effective Date**"); a \$25,000 Icefall Option Payment on the date which BCCo enters into a binding agreement with a third party in connection with a transaction that will result in shareholders of BCCo holding shares in a "reporting issuer" as defined under the Canadian securities laws that is listed on a recognized Canadian stock exchange; a \$20,000 Icefall Option Payment on or before the first anniversary of the Icefall Effective Date and incurring an additional \$50,000 in Icefall Expenditures on or before the first anniversary of the Icefall Effective Date; a \$50,000 Icefall Option Payment on or before the second anniversary of the Icefall Effective Date and incurring an additional \$150,000 in Icefall Expenditures or before the second anniversary of the Icefall Effective Date; and incurring an additional \$500,000 in Icefall Expenditures or before the third anniversary of the Icefall Effective Date.

BCCo confirms that the initial payment of \$25,000 has been made in accordance with the Icefall Option Agreement. In addition, the Optionor was issued 2,000,000 common shares in the capital of BCCo on the Icefall Effective Date.

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 report 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.

6. Reliance on subsection 7.1(2) of National Instrument 51-102

The report is not being filed on a confidential basis.

7. Omitted Information

No significant facts have been omitted from this Material Change Report.

8. Executive Officer

For further information, contact Aleem Nathwani, Chief Executive Officer of the Company at (604) 290-7073.

9. Date of Report

This report is dated at Toronto, this 7th day of September, 2022.

Cautionary Statement Regarding 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.