

---

**POWER GROUP PROJECTS CORP.**

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

**For the nine months ended  
October 31, 2023**

**(Expressed in Canadian Dollars)**

---

**POWER GROUP PROJECTS CORP.**

Management's Discussion and Analysis of Financial Condition and Results of Operations  
For nine months ended October 31, 2023

---

**CONTENTS**

1. INTRODUCTION .....	3
1. INTRODUCTION .....	4
2. FORWARD-LOOKING STATEMENTS .....	4
2. FORWARD-LOOKING STATEMENTS .....	5
3. HIGHLIGHTS AND SUBSEQUENT EVENTS .....	5
3. HIGHLIGHTS AND SUBSEQUENT EVENTS continued.....	6
4. PROPERTY SUMMARY .....	7
4. PROPERTY SUMMARY .....	7
4. PROPERTY SUMMARY .....	8
4. PROPERTY SUMMARY .....	9
4. PROPERTY SUMMARY .....	12
4. PROPERTY SUMMARY .....	13
4. PROPERTY SUMMARY .....	14
4. PROPERTY SUMMARY .....	15
5. SELECTED ANNUAL RESULTS.....	16
6. SUMMARY OF QUARTERLY RESULTS.....	16
7. DISCUSSION OF OPERATIONS .....	17
8. LIQUIDITY AND CAPITAL RESOURCES .....	18
8. LIQUIDITY AND CAPITAL RESOURCES .....	19
9. TRANSACTIONS WITH RELATED PARTIES.....	19
9. TRANSACTIONS WITH RELATED PARTIES .....	20
10. FINANCIAL INSTRUMENTS AND RELATED RISKS .....	20
10. FINANCIAL INSTRUMENTS AND RELATED RISKS .....	21
11. RISKS AND UNCERTAINTIES .....	21
12. DISCLOSURE OF OUTSTANDING SHARE DATA .....	22
12. DISCLOSURE OF OUTSTANDING SHARE DATA .....	23
13. OFF-BALANCE SHEET ARRANGEMENTS .....	23
14. CRITICAL ACCOUNTING ESTIMATES .....	23
14. CRITICAL ACCOUNTING ESTIMATES .....	24
15. APPROVAL .....	24

# POWER GROUP PROJECTS CORP.

Management's Discussion and Analysis of Financial Condition and Results of Operations  
For nine months ended October 31, 2023

---

## 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 Nine-month periods ended October 31, 2023. The following information should be read in conjunction with the accompanying annual financial statements for the year ended January 31, 2023, 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 16 of this MD&A which compare certain financial results for the Nine-month periods ended October 31, 2023. Financial information contained herein is expressed in Canadian dollars, unless stated otherwise. All information in this MD&A is current as of June 27, 2023 unless otherwise indicated. This MD&A is intended to supplement and complement Power Group's financial statements for the period ended October 31, 2023 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 October 18, 2023.

### 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 "TSXV"), trading under the symbol ("PGP").

#### Head & Registered Office

999 West Hastings Street,  
Suite 520  
Vancouver, British Columbia  
V6C 2W2

#### Share Information

Common shares are listed for  
trading on the TSXV "PGP"  
OTCQB "PGPGF".

#### Investor Information

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

#### Transfer Agent

Endeavor Trust  
Corporation  
777 Hornby Street  
Vancouver, BC V6Z 1S4

#### Contact Information

Investors: Aleem Nathwani, CEO

# POWER GROUP PROJECTS CORP.

Management's Discussion and Analysis of Financial Condition and Results of Operations  
For nine months ended October 31, 2023

---

## 1. INTRODUCTION

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

<b>Directors</b>	<b>Officers and Position</b>
Aleem Nathwani (Chairman)	Chief Executive Officer
David Kwok	Chief Financial Officer
Scott Hayduk	
Eric Boehnke	

## 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, the 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 and 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 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. Readers are advised to consider such forward-looking statements in light of the risk factors set forth below and 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, the successful construction of mining and processing facilities, and uncertainty of ultimate profitability of mining operations, risks of litigation and other hazards. The Company cautions that the preceding 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 April 13, 2021, (the "Grant Date"), the Company has granted stock options (collectively, the "Options") to management and consultants to purchase of up to 1,500,000 common shares of the Company (each, a "Share"), pursuant to the Company's Stock Option Plan. The Options are exercisable at an exercise price of \$0.10 per Share and are valid for a period of five years from the Grant Date. Options vest: (i) 25% shall vest on the date that is six months from the Grant Date; (ii) 25% shall vest on the first anniversary of the Grant Date; (iii) 25% shall vest on the date that is eighteen months from the Grant Date; and (iv) 25% shall vest on the second anniversary of the Grant Date.
- On May 17, 2021, the Company announced a non-brokered private placement through the issuance of up to 20,000,000 units ("Unit") at a price of \$0.06 per Unit for aggregate gross proceeds of up to \$1,200,000 (the "Offering"). Each Unit shall be comprised of one common share ("Common Share") in the capital of the Company and one Common Share purchase warrant ("Warrant") of the Company. Each Warrant shall entitle the holder thereof to acquire one Common Share at a price of \$0.12 per Common Share for a period of three (3) years from the closing date (the "Closing Date") of the Offering. All securities issued pursuant to the Offering will be subject to a hold period of four months plus a day from the date of issuance and the resale rules of applicable securities legislation. The net proceeds from the Offering maybe subject to a finder's fee commission and will be used for general working capital purposes. The closing of the Offering is subject to certain conditions including, but not limited to, the receipt of all necessary regulatory and other approvals, including the approval of the TSX Venture Exchange.
- On June 21, 2021, the Company closed a non-brokered private placement through the issuance of 19,999,998 units ("Unit") at a price of \$0.06 per Unit for aggregate gross proceeds of \$1,200,000 (the "Placement"). Each Unit is comprised of one common share ("Common Share") in the capital of the Company and one Common Share purchase warrant ("Warrant") of the Company. Each Warrant shall entitle the holder thereof to acquire one Common Share at a price of \$0.12 per Common Share for a period of three (3) years from the closing date (the "Closing Date") of the Placement. All securities issued pursuant to the Placement will be subject to a hold period of four months plus a day from the date of issuance and the resale rules of applicable securities legislation. The Company paid a finder's fee commission of \$32,940 and issued 549,000 broker warrants. Net proceeds of the Placement will be used for general working capital purposes.

**3. HIGHLIGHTS AND SUBSEQUENT EVENTS continued**

- On August 10, 2021, the Company has started fieldwork on its Muddy Gullies platinum group elements property in Central Newfoundland. The first phase of exploration will include an airborne magnetometer, Lidar (light detection and ranging) and orthophotography surveys, line cutting and gridded prospecting, mapping, and sampling. The property is highly prospective for the discovery of significant platinum group elements (PGE) hosted by a pyroxenite unit of the Gander River complex. The line-cutting program is completed and will serve as a control grid for the prospecting on the main PGE target zone. The airborne surveys will cover the central three licences on the property and have been contracted out to RPM Aerial Inc. of Holyrood, Nfld. All the necessary permits are in place for this phase of the field program. Depending on initial results, this work will be followed by a fall-winter exploration drill program comprising approximately 1,000 metres.
- On December 8, 2021, the Company has entered into an arm's-length share purchase agreement, with 1315843 B.C. Ltd. (BCCo) and the shareholders of BCCo to acquire all of the issued and outstanding common shares in the capital of BCCo. BCCo is a private company incorporated under the laws of the Province of British Columbia, whose sole asset is an option agreement dated Aug. 9, 2021, with Cloudbreak Discovery PLC and Cloudbreak Discovery (Canada) Ltd., whereby BCCo has the option to earn a 100% interest in certain mineral claims in the province of British Columbia (the Atlin West project).
- On August 31, 2022, the Company has acquired all of the issued and outstanding shares of 1311516 B.C. Ltd. (the "1311516"), 1311516 is a private company incorporated under the laws of the Province of British Columbia, whose sole assets are option agreements dated Feb. 25, 2022, and March 3, 2022, with Cloudbreak Discovery PLC and Cloudbreak Discovery (Canada) Ltd., whereby 1311516 has the option to acquire a 75-per-cent 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 has: (i) issue an aggregate of 46.2 million common shares in the capital of the company, at a price of three cents per common share, to the shareholders of 1311516. Upon closing of the proposed transaction, 1311516 would become a wholly-owned subsidiary of the company, and the company would assume all obligations owing in connection with the Rizz project and the Icefall project.
- On May 24, 2022, the Company appointed Mr. Scott Hayduk, CFA to the board of directors of the Company. Mr. Hayduk is a Corporate Finance Professional with over 20 years of Investment Banking and Corporate Advisory experience. Scott has spent most of his career specializing in the Americas, MENA, Europe and Asia / Asia Pacific Oil & Gas Producers, Energy Infrastructure, Oil Gas Services and Oil & Gas Technology Special Situations. He started his career with BMO Nesbitt Burns and spent most of his career with employee-owned and highly successful Canadian boutique Investment Bank, Orion Securities, through its purchase by Macquarie Bank as a Director. Scott has worked on several billion dollars of Equity, Debt and M&A transactions, respectively. Mr. Hayduk has served as both Director and Officer of numerous Public and Private companies.
- On June 14, 2022, the Company appointed Eric Boehnke to the board of directors of the company, effective the date hereof. Mr. Boehnke is the chief executive officer and a director of Trenchant Capital Corp., an investment issuer, listed on the Canadian Securities Exchange. He is a former CEO, executive vice-chairman and director of Terrace Energy Corp., an oil and gas exploration and production company with projects in the United States listed on the TSX Venture Exchange. He has served as director and on the audit committees of a number of Toronto Stock Exchange- and TSX Venture Exchange-listed companies. Mr. Boehnke is also the president and a director of Big Sky Management Ltd., a private company principally involved with providing corporate finance services to private and public companies. Mr. Boehnke holds a bachelor of science from the University of Toronto.

# POWER GROUP PROJECTS CORP.

Management's Discussion and Analysis of Financial Condition and Results of Operations  
For nine months ended October 31, 2023

## 4. PROPERTY SUMMARY

For the nine months ended	October 31, 2023				October 31, 2022					
	Atlin West	Muddy Gullies	Smith Cobalt	Total	Atlin West	Ice Fall	Muddy Gullies	Rizz	Smith Cobalt	Total
Exploration field work	-	-	-	\$ -	29,352	-	25,539	(17,203)	-	\$ 37,688
Acquisition mineral property	-	-	-	\$ -	-	462,000	21,000	462,000	-	\$ 945,000
Geological consulting	-	-	750	\$ 750	29,345	69,519	37,947	30,425	3,025	\$ 170,261
Permits and licenses	-	-	-	\$ -	-	-	-	-	-	\$ -
Property option payments	-	-	-	\$ -	-	-	20,000	-	-	\$ 20,000
Property tax	-	-	-	\$ -	-	-	-	-	7,925	\$ 7,925
Option payments received	-	-	-	\$ -	-	-	-	-	-	\$ -
Government assistance	-	(14,453)	-	\$ (14,453)	-	-	(21,274)	-	-	\$ (21,274)
<b>Totals</b>	<b>\$ -</b>	<b>\$ (14,453)</b>	<b>\$ 750</b>	<b>\$ (13,703)</b>	<b>\$ 58,697</b>	<b>\$ 531,519</b>	<b>\$ 83,212</b>	<b>\$ 475,222</b>	<b>\$ 10,950</b>	<b>\$ 1,159,600</b>

### Muddy Gullies Property

The Muddy Gullies Property is located 28 kilometers northeast of the town of Gander, NL. Route 330 affords easy access to the property as does Muddy Gullies access road which runs east from route 330. The Property comprises 83 claim units (3 licences) covering approximately 23.25 km<sup>2</sup>. The Property is host to several historical platinum, palladium, copper and gold showings, as indicated by the Mineral Occurrence Database System, Department of Natural Resources, Newfoundland & Labrador. The Property is underlain by a portion of the Gander River Ultramafic Belt (GRUB LINE) which consists of pyroxenite and lesser serpentinite, magnesite, amphibolite, hornblende, and gabbro. The mafic and ultramafic rocks of the GRUB LINE are considered to be an ophiolitic suite of volcanic and plutonic rocks which have tectonically emplaced over the Gander Groups. During the period, the Company has terminated the agreement and as such no longer has rights to this property.

## 4. PROPERTY SUMMARY

### Atlin West Property

On December 8, 2021, the Company acquired 1315843 B.C. Ltd. ("BCCo") a privately-held exploration company in British Columbia, Canada, whose sole asset is an option agreement dated August 9, 2021, with Cloudbreak Discovery PLC and Cloudbreak Discovery (Canada) Ltd., whereby BCCo has the option to earn a 100% interest in certain mineral claims in the province of British Columbia the Atlin West project (the "Property").

As consideration for the transaction, the Company: (i) issued an aggregate of 24 million common shares in the capital of the company, at a price of \$0.05 per common share to the vendors; (ii) a cash payment in the amount of \$50,000 (paid); and (iii) a cash payment in the amount of \$50,000 to BCCo or as BCCo may direct, upon closing of the transaction (paid).

The Atlin West project is underlain by undivided sedimentary and volcanic rocks of the Cache Creek complex, which have been subsequently intruded by late Cretaceous felsic volcanic and intrusive rocks. The area is bounded by the Nahlin fault and crosscut by east-west- and northwest-trending faults. These structures are known to be associated with base and precious metals in the region, specifically at the Engineer or Yellowjacket mines. Mineralization on the property includes the Dundee/Table Mountain showing (B.C. Minfile 104N 003), which is composed of northeast-trending veins with galena and chalcopyrite, assaying up to 2.58 ounces per ton of silver, 26 percent lead and 13.9 percent copper in 1967. Limited work has been reported on the property, and additional exposures are unexplored as a glacial recession has progressed in the past several decades since this work was last conducted. Additional exploration targets and potential styles of mineralization on the property can be inferred from known mineralization in the regional analogs, which are in close proximity to the property. Note that mineralization hosted on adjacent and nearby properties is not necessarily indicative of mineralization hosted on the company's properties.

#### **4. PROPERTY SUMMARY**

##### **Atlin West Property (Continued)**

The Engineer mine (B.C. Minfile 104M 014) was in production in the 1920s and 1930s, and produced in excess of 18,000 ounces of gold and 9,000 ounces of silver. Production was at realized grades exceeding 39 grams per ton of gold and 20 grams per ton of silver. A mineral resource estimate published in 2018 stated the Engineer mine contains an inferred resource of 41,000 tons grading 19.0 grams per ton of gold, using a five-gram-per-ton cut-off grade, which equated to 25,000 ounces of gold (O'Brien et al., National Instrument 43-101 report, Engineer gold mine, Jan. 18, 2018, for Engineer Gold Mines Ltd.).

At the Yellowjacket Mine, a historical estimate was calculated in 2011 stating 133,000 tons at 5.8 grams per ton of gold, totalling 24,000 ounces of gold at a 1.5-gram-per-ton-of-gold cut-off (B.J. Price and C. Downie, 2011; technical report on the Yellowjacket gold project; NI 43-101 report). This estimate was considered an inferred resource as per CIM (Canadian Institute of Mining, Metallurgy and Petroleum) definitions at the time, but a qualified person has not done sufficient work to classify the historical estimate as a current mineral resource. The issuer is not treating the historical estimate as a current mineral resource or reserve.

The Imperial vein showing (B.C. Minfile 082ESE113) is a quartz vein system that underwent limited and intermittent production during the early 1900s through to 1949 and is documented to have produced 973 tons grading 378 grams per ton silver, 2.73 grams per ton gold, 15.7 kilograms per ton zinc, 12.0 kilograms per ton lead and 0.16 kilogram per ton copper.

Under the terms of the option agreement, BCCo may exercise the option to acquire a 100% interest in the Property upon payment of an aggregate of \$325,000 in cash payments, issuing 8,000,00 common shares (option shares) and incurring an aggregate of \$700,000 in expenditures on the Property as follows:

##### Option Payments

- A \$50,000 option payment on Oct. 8, 2021 (paid)
- A \$50,000 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 Canadian securities laws that is listed on a recognized Canadian stock exchange (paid)
- A \$75,000 option payment on or before the second anniversary of the effective date
- A \$150,000 option payment on or before the third anniversary of the effective date

##### Expenditures

- Incurring \$150,000 in expenditures on or before the first anniversary of the effective date
- Incurring an additional \$200,000 in expenditures or before the second anniversary of the effective date
- Incurring an additional \$350,000 in expenditures or before the third anniversary of the effective date

##### Option Shares

- 3,000,000 Option Shares on the signing of a go public agreement (issued)
- 2,500,000 Option Shares on the second anniversary of the Effective Date
- 2,500,000 Option Shares on the third anniversary of the Effective Date

The Company has not been able to fulfil the expenditure requirement of \$150,000 on or before the first anniversary of the effective date. Cloudbreak has agreed to allow the Company to hold onto this option until further notice, however, Cloudbreak still has the legal right to serve a notice of default at any time in which the Company has 30 days to remediate before the option agreement is terminated.

#### **4. PROPERTY SUMMARY**

##### **Rizz and Icefall Properties**

On August 29, 2022, the Company has acquired all of the issued and outstanding common shares of 1311516 B.C. Ltd. ("1311516") 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 1311516 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 \$0.02 per Common Share to the Vendors. Upon close of the Transaction, 1311516 became a wholly owned subsidiary of the Company and the Company assumed all obligations owing to the Optionor under the Option Agreements.

Under the terms of the Rizz Option Agreement, 1311516 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:

###### Option Payments

- a \$25,000 Rizz Option Payment on February 25, 2022 (paid);
- a \$25,000 Rizz Option Payment on a go-public transaction;
- a \$20,000 Rizz Option Payment on or before the first anniversary of the Rizz Effective Date and;
- a \$50,000 Rizz Option Payment on or before the second anniversary of the Rizz Effective Date and

###### Expenditures

- incurring \$50,000 in Rizz Expenditures on or before the first anniversary of the Rizz Effective Date
- 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.

Under the terms of the Icefall Option Agreement, 1311516 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:

###### Option Payments

- a \$25,000 Icefall Option Payment on March 3, 2022 (paid);
- a \$25,000 Icefall Option Payment on a go-public transaction;
- a \$20,000 Icefall Option Payment on or before the first anniversary of the Icefall Effective Date and;
- a \$50,000 Icefall Option Payment on or before the second anniversary of the Icefall Effective Date

###### Expenditures

- incurring \$50,000 in Icefall Expenditures on or before the first anniversary of the Icefall Effective Date;
- 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.

The Company has not been able to fulfil the option payments and expenditure requirements on or before the first anniversary of the effective date. Cloudbreak has agreed to allow the Company to hold onto this option until further notice, however, Cloudbreak still has the legal right to serve a notice of default at any time in which the Company has 30 days to remediate before the option agreement is terminated.

### **Icefall Property**

The Icefall Property is located 20 kilometres north of Tulsequah, British Columbia covering 8,704 hectares. Evaluation for VMS, porphyry and skarn mineralization is ongoing and known to occur in the area. Previous work has identified occurrences in granitic rocks of the Sloko-Hyder Plutonic Suite that have been documented in historic work on the property. The Icefall Project is underlain by Stuhini and Labarge Group volcanic and sedimentary rocks, overlain by Sloko Group volcanic rocks. Granitic intrusions have been mapped on the northern and southern bounds of the claim block, which covers 8,704 ha. The property is bounded by the Llewellyn fault to the west and King Salmon fault to the east with several north-trending structures noted on the property. Several showings require immediate follow-up, which includes sample results of 35.5 g/t Ag and 0.5% Cu.

The Company conducted an airborne magnetic survey June 24<sup>th</sup> to July 1<sup>st</sup>, 2022. The single-sensor magnetic survey was flown at 100m line spacing at a heading of 089°/269° totalling 959 line km. The team recently received the results, and interpretation are underway to delineate the target areas of the next program on the property.

### **Rizz Property**

The Rizz Property is located 20 kilometres northwest along the trend of New Polaris/Tulsequah Chief, British Columbia covering 5,415 hectares. Evaluation for VMS, porphyry and skarn mineralization is ongoing and known to occur in the area. Previous work has identified occurrences in granitic rocks of the Sloko-Hyder Plutonic Suite have been documented in historic work on the property. The Rizz Project is 5,415 hectares of mineral titles in northwestern B.C., situated in the Boundary Ranges Metamorphic Suite and Sloko Group plutonic and volcanic rocks, west of the Llewellyn fault.

To date, mineralisation is documented in the Sloko-Hyder plutonic suite with several gossanous zones identified for follow up. The known mineralisation on the property is described as sulphide-rich felsite boulders and talus in one of the cirques. Previous assay results from samples indicate mineralisation including 27.6 grammes per tonne of gold, 562.9 grammes per tonne of silver, 8.25% lead and 15.9% zinc.

#### Current year program highlights:

The Company conducted an airborne magnetic survey June 24<sup>th</sup> to July 1<sup>st</sup>, 2022. The survey was a 200m spaced single sensor magnetic survey totalling 332 line km. The results of the survey were recently received. The team is currently conducting interpretation to define targets for the next program on the property.

### **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 volcanics which are unconformably 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.

### **Smith-Cobalt Property (Cont'd)**

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).

**POWER GROUP PROJECTS CORP.**

Management's Discussion and Analysis of Financial Condition and Results of Operations

For nine months ended October 31, 2023

**4. PROPERTY SUMMARY**

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	<b>121</b>	<b>122</b>	<b>1</b>	<b>371.00 g/t</b>		<b>0.11%</b>			<b>1.79%</b>	
And	<b>133</b>	<b>142</b>	<b>9</b>	<b>2.19 g/t</b>		<b>0.10%</b>	<b>0.23%</b>			
Including	<b>136</b>	<b>140</b>	<b>4</b>	<b>1.16 g/t</b>		<b>0.20%</b>				
SC-17-24	9	9.25	0.25		0.26 g/t					
	<b>159</b>	<b>165</b>	<b>6</b>	<b>5.73 g/t</b>			<b>0.17%</b>		<b>0.29%</b>	<b>0.43%</b>
SC-17-25	<b>130.8</b>	<b>180</b>	<b>49.2</b>	<b>3.08 g/t</b>						
Including	130.8	151	20.2	4.37 g/t						
Including	<b>130.8</b>	<b>131</b>	<b>0.2</b>	<b>211.00 g/t</b>	<b>0.193 g/t</b>					
And	163.43	163.64	0.21	90.50 g/t						
And	174.60b	178	3.4	7.63 g/t			0.18%			
Including	<b>177</b>	<b>178</b>	<b>1</b>	<b>22.70 g/t</b>	<b>0.44 g/t</b>	<b>0.27%</b>	<b>0.52%</b>			
	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 (Cont'd)**

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

**POWER GROUP PROJECTS CORP.**

Management's Discussion and Analysis of Financial Condition and Results of Operations

For nine months ended October 31, 2023

**4. PROPERTY SUMMARY**

**Smith-Cobalt Property (Cont'd)**

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
	189.00	200.00	11.00	0.08%	Zn	Bedded tuff/dacite/chert
17-04	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
17-05	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	

#### **4. PROPERTY SUMMARY**

##### **Smith-Cobalt Property (Cont'd)**

The Company submitted an Exploration Plan and Permit for portions of our Crown Lands. The plan has been accepted by the Ministry of Northern Development and Mines, with the permit expected to be received in the near term. This will allow outcrop stripping and sampling, as well as line cutting, ground geophysics and drilling.

The Phase 2 drill program concluded on November 15, 2018, with 16 holes drilled for a total of 2,306 m (7,556 ft.). Assay results will be reported when received, accepted and reviewed by the Company.

On December 8, 2018, the Company agreed to purchase all the issued and outstanding common shares of Canadian Cobalt Projects Inc., which is the registered holder of 33 mineral claims located in the South Lorrain Township, Ontario. Pursuant to the acquisition, the Company issued one common share for each of the outstanding common shares of Canadian Cobalt Projects Inc. resulting in the issuance of 2,995,000 common shares of the Company. The operations and changes in cash flow of Canadian Cobalt Projects Inc., have been included from the date control was acquired (i.e. December 8, 2018). As Canadian Cobalt Projects Inc., did not meet the definition of a business per IFRS 3, the acquisition has been accounted for as an asset acquisition, whereby the Company is considered to issue shares in return for the net assets of Canadian Cobalt Projects Inc., at their fair value with the entire consideration of \$6,589,000 being allocated to the mineral claims held by Canadian Cobalt Projects Inc.

Highlights of the acquisition are as follows:

The acquisition is comprised of approximately 7,500 ha of strategically located mining claims in the Silver Center area of the Cobalt Camp, Ontario. With the addition of this land package, the Company becomes one of the largest landowners in the prolific Cobalt and Silver Center camps, holding over 8,700 ha.

There are several known cobalt occurrences found on the land package - all reported in the Ontario Mineral Deposit Inventory files.

Labine-McMahon showing - samples collected from a quartz-carbonate vein adjacent to an aplite dike contain cobaltite, arsenopyrite and bismuthinite. An assessment of the heavy material after a partial separation from the gangue returned: 32.54% As, 4.85% Fe, 21.09% Co, 1.18% Ni, 6.26% Bi and 0.09% Zn. A sample of wall rock adjacent to a ¾" wide quartz carbonate vein assayed 1.10% Co and 0.21% Ni. The sample was collected in 1956 and assayed by the Cobalt Resident Geologist.

Friday Creek showing - government reports show "a 20cm quartz-calcite veins with 17 g/t Ag, in Nipissing diabase."

**POWER GROUP PROJECTS CORP.**

## Management's Discussion and Analysis of Financial Condition and Results of Operations

For nine months ended October 31, 2023

**5. SELECTED ANNUAL RESULTS**

	Year Ended <b>31-Jan-23</b>	Year Ended <b>31-Jan-22</b>	Year Ended <b>31-Jan-21</b>
Loss before non-operating income	\$ 1,591,120	\$ 2,390,350	\$ 145,864
Loss before income taxes	\$ 1,591,120	\$ 2,390,350	\$ 145,864
Loss per common share, basic and diluted	\$ (0.02)	\$ (0.06)	\$ (0.01)
Net and comprehensive loss	\$ 1,591,120	\$ 2,375,420	\$ 113,864
Net and comprehensive loss per common share, basic and diluted	\$ (0.02)	\$ (0.06)	\$ (0.01)
Weighted average number of shares outstanding	92,872,889	42,396,447	15,860,562

Financial Position

Total assets	\$ 102,676	\$ 722,458	\$ 189,536
--------------	------------	------------	------------

**6. SUMMARY OF QUARTERLY RESULTS**

<b>Three months ended</b>	<b>31-Oct-23</b>	<b>31-Jul-23</b>	<b>30-Apr-23</b>	<b>31-Jan-23</b>
Loss before non-operating expenses	\$ (22,391)	\$ (59,622)	\$ (36,451)	\$ (1,168,234)
Loss before income taxes	\$ (22,391)	\$ (59,622)	\$ (36,451)	\$ (1,168,234)
Loss per common share, basic and diluted	\$ (0.01)	\$ (0.010)	\$ (0.010)	\$ (0.010)
Net and comprehensive loss	\$ (22,391)	\$ (59,622)	\$ (36,451)	\$ (1,168,234)
Net and Comprehensive Loss per Common Share, Basic and Diluted	\$ (0.0011)	\$ (0.001)	\$ (0.000)	\$ (0.010)

<b>Three months ended</b>	<b>31-Oct-22</b>	<b>31-Jul-22</b>	<b>30-Apr-22</b>	<b>31-Jan-22</b>
Loss before non-operating expenses	\$ (1,054,825)	\$ (242,450)	\$ (180,437)	\$ (1,291,515)
Loss before income taxes	\$ (1,054,825)	\$ (242,450)	\$ (180,437)	\$ (1,291,515)
Loss per common share, basic and diluted	\$ (0.006)	\$ (0.006)	\$ (0.003)	\$ (0.030)
Net and comprehensive loss	\$ (1,054,825)	\$ (242,450)	\$ (180,437)	\$ (1,276,584)
Net and Comprehensive Loss per Common Share, Basic and Diluted	\$ (0.006)	\$ (0.006)	\$ (0.003)	\$ (0.029)

**POWER GROUP PROJECTS CORP.**

## Management's Discussion and Analysis of Financial Condition and Results of Operations

For nine months ended October 31, 2023

**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, 2023 for the summary of significant accounting policies.

**The Nine months ended October 31, 2023 compared to October 31, 2022**

For the nine months ended October 31, 2023, the Company recorded a net and comprehensive loss of \$118,467 or (\$0.01) per share compared to a net and comprehensive loss of \$1,477,712 or (\$0.02) per share in the comparable nine months ended October 31, 2022. The decrease in net and comprehensive loss is primarily attributable to the decrease in exploration expenditures in the comparative period.

	<b>Nine months ended Oct 31, 2023</b>	<b>Nine months ended Oct 31, 2022</b>	<b>Variance</b>	<b>Discussion</b>
Consulting and management fees	82,000	180,000	(98,000)	Consulting & management fees decreased due to an decreased in corporate activities.
Depreciation	-	1,608	-	
Exploration and evaluation expenditures	(14,453)	1,159,600	(1,174,053)	Exploration and evaluation costs were lower due to no acquisitions during the quarter, and government assistance received from the Province of NL.
Insurance	12,770	13,846	(1,076)	
Office	625	3,769	(3,144)	
Professional fees	19,733	29,508	(9,775)	Professional fees decreased compared to the comparative period due to reduced activity in this year.
Share-based compensation	3,386	29,528	(26,142)	Share based compensation decreased as no new stock options were issued in the period
Shareholder communications	2,609	5,213	(2,603)	
Transfer agent and regulatory fees	11,793	54,640	(42,847)	Transfer agent fees decreased due to lack of activity
Loss on disposal of assets	5,004	-	5,004	The Company disposed of assets along with the sale of its field equipment
Gain on disposal of assets	(5,000)	-	(5,000)	The Company sold its field equipment during the period

## **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, 2023, the Company had \$29,502 in cash and cash equivalents (January 31, 2023 - \$74,319). 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 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 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, 2023, the Company had a working capital deficit of \$84,087 (January 31, 2023 – \$25,991 surplus). The working capital has declined since January 31, 2023 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.

## **8. LIQUIDITY AND CAPITAL RESOURCES**

### *Capital Resources*

On October 31, 2023 the Company had \$29,502 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 year ended January 31, 2023. 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.

On October 31, 2023, included in accounts payable and accrued liabilities is \$81,000 (January 31, 2023 – \$17,850) 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.

## POWER GROUP PROJECTS CORP.

Management's Discussion and Analysis of Financial Condition and Results of Operations

For nine months ended October 31, 2023

---

### 9. TRANSACTIONS WITH RELATED PARTIES

During the period ended October 31, 2023 and 2022, key management compensation consisted of the following:

<b>For the periods ended</b>	<b>October 31, 2023</b>	<b>October 31, 2022</b>
Consulting and management fees	\$ 81,000	\$ 109,000
Share-based compensation	3,386	29,528
	<b>\$ 84,386</b>	<b>\$ 138,528</b>

### 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, 2023, those financial assets and liabilities are classified in their entirety based on the level of input that is significant to the fair value measurement.

## POWER GROUP PROJECTS CORP.

Management's Discussion and Analysis of Financial Condition and Results of Operations  
For nine months ended October 31, 2023

### 10. FINANCIAL INSTRUMENTS AND RELATED RISKS

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

	As at October 31, 2023			As at January 31, 2023	
	Input	Carrying	Estimated	Carrying	Estimated
	Level	Amount	Fair value	Amount	Fair value
<i>Financial Assets:</i>					
Cash	1	\$ 29,502	\$ 29,502	\$ 74,319	\$ 74,319
Amounts receivable	1	2,711	2,711	23,354	23,354
		\$ 32,214	\$ 32,214	\$ 97,673	\$ 97,673
<i>Financial Liabilities:</i>					
Current Liabilities	1	\$ 116,301	\$ 116,301	\$ 71,682	\$ 71,682
		\$ 116,301	\$ 116,301	\$ 71,682	\$ 71,682

#### 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, 2023, the Company had cash of \$29,502 (January 31, 2023 - \$74,319) and accounts payable and accrued liabilities of \$116,301 (January 31, 2023 - \$71,682).

### 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, 2023 (available under the Company's SEDAR profile at [www.sedar.com](http://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.

## POWER GROUP PROJECTS CORP.

Management's Discussion and Analysis of Financial Condition and Results of Operations  
For nine months ended October 31, 2023

---

### 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, 2023 and the date of this M&DA, the Company had 119,560,560 common shares issued and outstanding.

##### c) Warrants

A summary of the changes in the share purchase warrants for the period ended October 31, 2023 are as follows:

	Number	Weighted Average Exercise Price
Balance at January 31, 2021	-	-
Issued in private placement	19,999,998	\$0.12
Issued as brokers warrants	549,000	\$0.12
Balance at January 31, 2022	20,548,998	\$0.12
<b>Balance at January 31 and October 31, 2023</b>	<b>20,548,998</b>	<b>\$0.12</b>
<b>Exercisable at January 31 and October 31, 2023</b>	<b>20,548,998</b>	<b>\$0.12</b>

##### 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. Pursuant to the Company stock option plan, there is an allowance of up to a maximum of 10% of the outstanding shares to be reserved to be issued.

A summary of the changes in the stock purchase options for the period ended October 31, 2023 compared to the period ended October 31, 2022 are as follows:

	Number	Weighted Average Exercise Price
Balance at January 31, 2021	-	-
Granted	1,700,000	\$0.10
<b>Balance at January 31, 2022</b>	<b>1,700,000</b>	<b>\$0.10</b>
Expired/forfeited	(200,000)	\$0.10
<b>Balance at January 31 and October 31, 2023</b>	<b>1,500,000</b>	<b>\$0.10</b>
<b>Exercisable at January 31 and October 31, 2023</b>	<b>1,400,000</b>	<b>\$0.10</b>

## **12. DISCLOSURE OF OUTSTANDING SHARE DATA**

On April 13, 2022 (the "Grant Date"), the Company has granted stock options (collectively, the "Options") to management and consultants to purchase of up to 1,500,000 common shares of the Company (each, a "Share"), pursuant to the Company's Stock Option Plan. The Options are exercisable at an exercise price of \$0.10 per Share and is valid for a period of five years from the Grant Date. Options vest: (i) 25% shall vest on the date that is six months from the Grant Date; (ii) 25% shall vest on the first anniversary of the Grant Date; (iii) 25% shall vest on the date that is eighteen months from the Grant Date; and (iv) 25% shall vest on the second anniversary of the Grant Date. On June 21, 2021, the Company granted an additional 200,000 options to a consultant with the same vesting and expiry terms as the aforementioned April 13, 2021 grant.

## **13. OFF-BALANCE SHEET ARRANGEMENTS**

During the twelve months ended January 31, 2023 and the date of this MD&A, 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 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 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 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.

## **14. 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.

(iii) Collectability of related party receivables:

Management makes an assessment of whether the related party receivables are collectable for each recipient based on the payment history and financial condition of the counterparty. These estimates are continuously evaluated and updated.

The significant areas of judgment considered by management in preparing the 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 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 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.

## **15. APPROVAL**

The Audit Committee of Power Group Projects Corp. has reviewed and approved the disclosure contained in this January 31, 2023 MD&A. Further information about the Company is available under our SEDAR profile at [www.sedar.com](http://www.sedar.com).