



# **POWER GROUP**

PROJECTS

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**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, 2024 and 2023**

**(Expressed in Canadian Dollars)**

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# 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, 2024 and 2023

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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, 2024. The following information should be read in conjunction with the accompanying annual financial statements for the year ended January 31, 2024, and the notes to those financial statements, prepared in accordance with International Financial Reporting Standards ("IFRS"). Please also refer to the tables starting on page 16 of this MD&A, which compare certain financial results for the three and nine months ended October 31, 2024, and 2023 Financial information contained herein is expressed in Canadian dollars unless stated otherwise. All information in this MD&A is current as of December 30, 2024, unless stated otherwise. This MD&A is intended to supplement and complement the Company's financial statements for the three and nine months ended October 31, 2024, 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. On behalf of the Board of Directors, this MD&A was reviewed, approved and authorized for issue by the Company's Audit Committee on December 31, 2024.

### Description of Business

Power Group is a public company incorporated in British Columbia, under the BC 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 & Registered Office

2912 West Broadway Street,  
Unit 309  
Vancouver, British Columbia  
V6K 0E9

#### Share Information

Common shares are listed for  
trading on the TSX-V "PGP"

#### Investor Information

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

#### Transfer Agent

Endeavor Trust Corporation  
Suite 702, 777 Hornby Street  
Vancouver, BC V6Z 1S4

#### Contact Information

Investors: Aleem Nathwani, CEO

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

#### **Directors**

Aleem Nathwani (Chairman)  
David Kwok (resigned January 5, 2024)  
Scott Hayduk  
Brad Kitchen (resigned December 18, 2024)

#### **Officers and Position**

Chief Executive Officer  
Chief Financial Officer  
Tara Leray, Chief Financial Officer

## **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.

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.

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### 3. HIGHLIGHTS

- The Company has not actively engaged in exploration or development activities for the three and nine months ended October 31, 2024. The Company is currently evaluating its options, properties and opportunities for development subject to available financing.
- On September 25, 2024, the Company completed a share consolidation on a 10:1 basis. See the subsequent events section for more information on the impact of the share consolidation on the issued and outstanding shares as well as the outstanding options.

### 4. PROPERTY SUMMARY

For the Nine months ended	October 31, 2024						October 31, 2023					
	Atlin West	Ice Fall	Muddy Gullies	Rizz	Smith Cobalt	Total	Atlin West	Ice Fall	Muddy Gullies	Rizz	Smith Cobalt	Total
Exploration field work	-	-	-	-	-	\$ -	-	-	-	-	-	\$ -
Acquisition mineral property	-	-	-	-	-	\$ -	-	-	-	-	-	\$ -
Geological consulting	-	-	-	-	-	\$ -	-	-	-	-	750	\$ 750
Property option payments	-	-	-	-	-	\$ -	-	-	-	-	-	\$ -
Property tax	-	-	-	-	-	\$ -	-	-	-	-	-	\$ -
Government assistance	-	-	-	-	-	\$ -	-	-	(14,453)	-	-	\$ (14,453)
<b>Totals</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (14,453)</b>	<b>\$ -</b>	<b>\$ 750</b>	<b>\$ (13,703)</b>

### 5. 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, hornblendite, 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. In April 2023, the Company received a rebate of \$15,202 as part of the Government of Newfoundland and Labrador Junior Exploration Assistance program which provides grants for eligible expenditures related to mineral exploration and development.

During the year ended January 31, 2024, the Company has terminated the agreement and as such no longer has rights to this property.

### 6. 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 chalcopryrite, 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,

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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.

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 8,000,000 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 the effective date (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 an aggregate of \$350,000; the required \$75,000 option payment; and issuing 2,500,000 option shares on or before the second anniversary 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.

Subject to capital availability and developmental opportunity, the Company continues to evaluate the option agreement to determine whether the required exploration expenses will be incurred in the future.

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### 7. Rizz and Icefall Properties

On August 29, 2022, the Company 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

#### 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.

Subject to capital availability and developmental opportunity, the Company continues to evaluate the option agreement to determine whether the required exploration expenses will be incurred in the future.

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### **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 from June 24th 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.

The Company conducted an airborne magnetic survey from June 24th 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.

## **8. Smith-Cobalt Property**

On October 23, 2017, the Company entered into an agreement to acquire thirty-three patented mining claims located near Cobalt, Ontario, through the acquisition of Canadian Cobalt Projects Inc. Consideration for the acquisition comprised of the issuance of 2,995,000 common shares. The vendors also received a 1.5% net smelter royalty, 75% of which may be purchased by the Company for \$1,000,000 in cash. On September 2, 2016, the Company entered into a property option agreement to acquire mining claims located near Cobalt, Ontario. Consideration for the acquisition comprised of staged payments aggregating \$25,000 and the issuance of 150,000 common shares. The agreement is subject to a 2% NSR. The Company has the right to purchase one-half of the NSR (1%) for \$1,000,000.

During the year ended January 31, 2023, the Company allowed these claims to lapse and no longer holds the rights to this property.

**POWER GROUP PROJECTS CORP.**Management's Discussion and Analysis of Financial Condition and Results of Operations  
For three and nine months ended October 31, 2024 and 2023**9. SUMMARY OF QUARTERLY RESULTS**

Three months ended	03-Oct-24	31-Jul-24	30-Apr-24	31-Jan-24
Loss before non-operating expenses	\$ (38,264)	\$ (27,933)	\$ (27,242)	\$ (81,247)
Loss before income taxes	\$ (38,264)	\$ (28,646)	\$ (27,242)	\$ (65,677)
Loss per common share, basic and diluted	\$ (0.003)	\$ (0.000)	\$ (0.000)	\$ 0.001
Net and comprehensive loss	\$ (38,264)	\$ (28,646)	\$ (27,242)	\$ (65,677)
Net and Comprehensive Loss per Common Share, Basic and Diluted	\$ (0.003)	\$ (0.002)	\$ (0.002)	\$ (0.009)

Three months ended	31-Oct-23	31-Jul-23	30-Apr-23	31-Jan-23
Loss before non-operating expenses	\$ (22,391)	\$ (59,622)	\$ (36,451)	\$ (1,689,324)
Loss before income taxes	\$ (22,391)	\$ (59,622)	\$ (36,451)	\$ (1,689,324)
Loss per common share, basic and diluted	\$ (0.001)	\$ (0.010)	\$ (0.010)	\$ (0.010)
Net and comprehensive loss	\$ (22,391)	\$ (59,622)	\$ (36,451)	\$ (1,689,324)
Net and Comprehensive Loss per Common Share, Basic and Diluted	\$ (0.009)	\$ (0.009)	\$ (0.004)	\$ (0.100)

**10. 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, 2024, for the summary of significant accounting policies.

**The three and nine months ended October 31, 2024 and 2023:**

For the three and nine months ended October 31, 2024, the Company recorded a net and comprehensive loss of \$38,264 and \$93,438 respectively or (\$0.00 and \$0.01 respectively) per share compared to a net and comprehensive loss of \$22,391 and \$118,467 respectively or (\$0.00 and \$0.01 respectively) per share in the comparable three and nine months ended October 31, 2023. The overall decrease in net and comprehensive loss is primarily attributable to the reduction in consulting and management fees and share based compensation.

	Nine months ended October 31, 2024	Nine months ended October 31, 2023	Variance	Discussion
Consulting and management fees	49,239	82,000	(32,761)	Consulting & management fees decreased due to an decreased in corporate activities.
Exploration and evaluation expenditures (recovery)	3,438	(14,453)	17,891	Exploration and evaluation costs for the nine months ended October 31, 2024 consist of property taxes, and government assistance received from the Province of NL in 2023 of \$15,203, less a small amount of Geological fees.
Insurance	5,073	12,770	(3,629)	Insurance for the nine months ended October 31, 2023 was for a 12 month period.
Office	724	625	99	
Professional fees	12,367	19,733	(7,366)	Professional fees decreased compared to the comparative period as legal fees were reduced due to less activity in the current year.

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	Nine months ended October 31, 2024	Nine months ended October 31, 2023	Variance	Discussion
Share-based compensation	-	3,386	(3,386)	Share based compensation decreased as no new stock options were issued in the period
Shareholder communications	5,073	2,609	2,464	Reflects the costs of the Company's AGM and share consolidation.
Transfer agent and regulatory fees	13,457	11,793	1,663	Reflects the costs of the Company's AGM and share consolidation.

## 11. 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, 2024, the Company had \$475 in cash and cash equivalents (October 31, 2023 - \$29,502). 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 the exploration and development of mineral properties are dependent upon the 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, 2024, the Company had a working capital deficit of \$243,912 (January 31, 2024 - \$149,761 and October 31, 2023 - \$84,087). The working capital has increased since January 31, 2024 due to continued deferral of the Company's accounts payable. The Company has managed its working capital by minimizing its spending on its properties and operations while strategically looking at future developments and financing options. Due to the ongoing operations, 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 and 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.

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### **Capital Resources**

On October 31, 2024 the Company had \$475 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 as at October 31, 2024 consists of common shares and stock options. 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, 2024. 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.

## **12. 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, 2024, included in accounts payable and accrued liabilities is \$131,694 (January 31, 2024 – \$106,850) 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.

For the three months ended October 31, 2024, the Company received a loan from a shareholder for \$6,000. This loan payable is non-interest bearing, unsecured and have neither specific terms nor a date of repayment.

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During the three and nine months ended October 31, 2024 and 2023, key management compensation consisted of the following:

	Three months ended		Nine months ended	
	October 31, 2024	October 31, 2023	October 31, 2024	October 31, 2023
Consulting and management fees	\$ 12,764	\$ 18,000	\$ 49,239	\$ 82,000
Share-based compensation	-	-	-	3,386
<b>Total</b>	<b>\$ 12,764</b>	<b>\$ 18,000</b>	<b>\$ 49,239</b>	<b>\$ 85,386</b>

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. As at October 31, 2024, and January 31, 2024, the balance of loans are as follows:

For the years ended	October 31, 2024	January 31, 2024
<b>Pedro Resource Ltd.</b>	<b>101,133</b>	<b>101,133</b>
<b>Allowance for doubtful account</b>	<b>(101,133)</b>	<b>(101,133)</b>
<b>Net loans receivable</b>	<b>-</b>	<b>-</b>

These loans are non-interest bearing and have no fixed terms of repayment.

### 13. 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, 2024, those financial assets and liabilities are classified in their entirety based on the level of input that is significant to the fair value measurement.

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

	As at October 31, 2024			As at January 31, 2024	
	Input Level	Carrying Amount	Estimated Fair value	Carrying Amount	Estimated Fair value
<i>Financial Assets:</i>					
Cash	1	\$ 475	\$ 475	\$ 6,862	\$ 6,862
Prepaid expenses	1	6,252	6,252	3,569	3,569
GST receivable	1	12,692	12,692	4,090	4,090
		<b>\$ 19,419</b>	<b>\$ 19,419</b>	<b>\$ 14,521</b>	<b>\$ 14,521</b>

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	As at October 31, 2024			As at January 31, 2024	
	Input Level	Carrying Amount	Estimated Fair value	Carrying Amount	Estimated Fair value
<i>Financial Liabilities:</i>					
Current Liabilities	1	\$ 263,331	\$ 263,331	\$ 164,282	\$ 164,282
Related Party Loan	1	6,000	6,000	-	-
		\$ 269,331	\$ 269,331	\$ 164,282	\$ 164,282

### 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, 2024, the Company had cash of \$475 (January 31, 2024 - \$6,862) and accounts payable and accrued liabilities of \$26,3331 (January 31, 2023 - \$164,282).

## 14. 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, 2024 (available under the Company's SEDAR+ profile at [www.sedarplus.ca](http://www.sedarplus.ca)). 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.

## 15. 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, 2024, January 31, 2024 and the date of this M&DA, the Company had 11,956,056 common shares issued and outstanding.

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On September 25, 2024 by resolution of the board of directors in accordance with the Company's articles, the Company consolidated its issued and outstanding common shares in the capital of the Company on the basis of one (1) new common share for every ten (10) issued and outstanding common shares. Unless otherwise noted, all reference to common shares issued and outstanding on these consolidated financial statements have been adjusted retroactively to reflect the share consolidation.

c) *Warrants*

A summary of the changes in the share purchase warrants for the period ended October 31, 2024 and January 31, 2024 are as follows:

	Number	Weighted Average Exercise Price	Expiry Date
Issued in private placement	19,999,998	\$0.12	June 21, 2024
Issued as brokers warrants	549,000	\$0.12	June 21, 2024
Expired	(20,548,998)		
<b>Total and exercisable balance October 31, 2024</b>	<b>-</b>	<b>-</b>	
<b>Total and exercisable balance January 31, 2024</b>	<b>20,548,998</b>	<b>\$0.12</b>	

There was no change to the balance and exercisable amounts of warrants for the prior period ending October 31, 2023.

d) *Stock Options*

The Company has a fixed stock option plan which follows the policies of the 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.

Number of Options	Weighted Average Exercise Price	Remaining Life  (In Years)	Expiry Date
130,000	1.00	1.45	April 13, 2026
20,000	1.00	1.64	June 21, 2026
<b>150,000</b>	<b>1.00</b>	<b>1.47</b>	

On September 25, 2024, the exercise of the options was adjusted to reflect the impact of the share consolidation from \$0.10 per share to \$1.00 and the change is reflected retrospectively. The fair value of the options a result of the consolidation was unchanged as all options had vested and no adjustments were recognised due to the consolidation.

Stock options for the periods ended October 31, 2024 and 2023 are:

	Number	Weighted Average Exercise Price
<b>Balance at January 31, 2022</b>	<b>170,000</b>	<b>\$1.00</b>
Expired/forfeited	(20,000)	\$1.00
<b>Balance at January 31, 2024 and October 31, 2024 and 2023</b>	<b>150,000</b>	<b>\$1.00</b>
<b>Exercisable at January 31, 2024 and October 31, 2024 and 2023</b>	<b>150,000</b>	<b>\$1.00</b>

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### 16. OFF-BALANCE SHEET ARRANGEMENTS

During the three and nine months ended October 31, 2024 and to 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.

### 17. SUBSEQUENT EVENTS

Effective December 18, 2024, Mr. Brad Kitchen resigned as a director of the Company. The Company is evaluating a possible replacement for Mr. Kitchen and the Board would like to express its sincere gratitude and appreciation to Mr. Kitchen for his invaluable support and contribution to the Company during his tenure of office.

### 18. 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:

*a) 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.

*b) Business Combinations*

In accordance with IFRS 3 – Business Combination (“IFRS 3”), a transaction is recorded as a business combination if the significant assets, liabilities, or activities, in addition to property, assumed constitute a business. A business is defined as an integrated set of activities and assets, capable of being conducted and managed for the purpose of providing a return, lower costs, or other economic benefits. Where there are no such integrated activities, the transaction is treated as an asset acquisition. The estimation of the fair value of the assets and liabilities acquired in an acquisition is subject to judgement concerning estimating market values and predicting future events. These values are uncertain and can materially impact the carrying value of the acquired assets and the amount allocated to goodwill, if applicable.

*c) 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.

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### *d) 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.

## **19. APPROVAL**

The Audit Committee of Power Group Projects Corp. has reviewed and approved the disclosure contained in this October 31, 2024 MD&A. Further information about the Company is available under our SEDAR+ profile at [www.sedarplus.ca](http://www.sedarplus.ca).