



POWER GROUP ANNOUNCES CLOSING OF PALLPLAT ACQUISITION

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April 13, 2021 – Toronto, Ontario - Power Group Projects Corp. (TSXV: PGP) (the “**Company**”) is pleased to announce that, further to its press releases of October 8, 2020 and November 12, 2020, it has completed the previously announced acquisition (the “**Transaction**”) of all of the issued and outstanding common shares of Pallplat Metals Inc. (“**Pallplat**”). The Transaction was carried out by way of a share purchase agreement dated October 15, 2020 between the Company, Pallplat and the shareholders of Pallplat (the “**Vendors**”). As consideration for the Transaction, the Company issued an aggregate of 11,700,000 common shares in the capital of the Company (each, a “**Common Share**”) at a deemed price of \$0.05 per Common Share, to the Vendors.

In connection with the Transaction, the Company entered into a mining option agreement (the “**Option Agreement**”) with the Prospectus Alliance Syndicate (the “**Syndicate**”) whereby the Syndicate granted an option (the “**Option**”) to the Company to acquire a 100% undivided interest in the Muddy Gullies project in Newfoundland, Canada (the “**Property**”). In order to exercise the Option the Company is required to: (i) pay an initial deposit of \$20,000, which has been paid by Pallplat, and additional cash payments of \$20,000 payable on each of the first three anniversaries of the LOI; (ii) issue 1,200,000 Common Shares upon receipt of the approval of the TSX Venture Exchange (the “**TSXV**”) at a deemed price of \$0.05 per Common Share, which have been issued, and an additional 600,000 Common Shares to be issued on each of the first three anniversaries of the LOI, and (iii) incur \$800,000 in expenditures in respect of the Property over a three-year period.

In the event that the Option is exercised, the Company will grant a 2% net smelter returns royalty (“**NSR**”) in favour of the Syndicate, subject to the ability of the Company to purchase 0.75% of the NSR (resulting in the remaining NSR being 1.25%) for a purchase price of \$1,250,000 at any time before the commencement of commercial production on the Property.

The Company has also granted stock options (collectively, the “**Options**”) to management and consultants to purchase 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 for a period of five years from the date of grant. Options will vest over the course of two years, with 25% vesting every six months after the date of grant.

For further information, please contact:

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Cautionary Statement on Forward-Looking Information

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

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