Power Group Projects commences field work on Muddy Gullies PGE project, central Newfoundland

Toronto, Ontario – August 10, 2021 - **Power Group Projects Corp. (TSXV: PGP)** (the "**Company**") is pleased to announce that field work has commenced on its Muddy Gullies PGE property in central Newfoundland. The first phase of exploration will include airborne magnetometer, LiDAR 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 underway and has been contracted to Grass Roots Exploration of Gander, NL. This will provide 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, NL. All the necessary permits are in place for this phase of the field program.

This work will be followed in the Fall-Winter exploration season by a planned drill program comprising 1000 metres.

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 113 claim units (8 licences) covering 28.25 km^2. 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 lessor 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.

Local and Regional Geology

The Muddy Gullies Property straddles the tectonic boundary between the Dunnage Zone to the northwest and the Gander Zone to the southeast. The Davidsville Group sediments represent rocks of the Dunnage Zone on the Muddy Gullies Property and consist of pebble conglomerate, sandstone, shale and siltstone. Areas to the west of the Gander River are predominantly underlain by rocks of the Davidsville Group. The Gander Zone is represented by rocks of the Gander River Ultramafic Belt (GRUB), which include tonalite, intermediate to mafic volcanics, gabbro, serpentinite, pyroxenite and talc-magnesite altered ultramafics. Alternating sequences of the two contrasting rock groups outcrop across the property on the east side of Gander River and is interpreted to be shallow westward dipping thrusted slices.

Previous exploration work on the property, in 2000-2002, reported combined values for platinum and palladium of up to 2400 ppb (J.P. Bouzane Associates Lt. 2000, 2001, 2002). In 2013 an airborne mag-EM survey was completed, along with mapping, prospecting, and limited drilling. More recent (2016) sampling by the property vendors confirmed platinum-group element mineralization and also outlined additional areas of anomalous PGE mineralization on the Property.

31 samples were taken by the Vendors in the central portion of the property, where the PGE mineralization appears to be controlled by a non-magnetic course-grained pyroxenite unit. Assays ranged from 47 to 1707 ppb combined Pt+Pd+Au. Palladium averages 36% higher than platinum.

Muddy Gullies Acquisition

The Company acquired the Muddy Gullies property by the acquisition of all of the issued and outstanding common shares of Pallplat Metals Inc. 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 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 with the Prospectus Alliance Syndicate (the "**Syndicate**") whereby the Syndicate granted an option (the "**Option**") to the Company to acquire a 100% undivided interest 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 the first three anniversaries of the LOI, and (ii) 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.

Power Group Projects acknowledges the financial support of the Muddy Gullies project by the Government of Newfoundland and Labrador, through the Department of Industry, Energy and Technology Junior Exploration Assistance Program.

Chris M. Healey, P.Geo, a geological consultant to the Company, is the qualified person who is responsible for the technical content of this release and consents to its release.

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