



POWER GROUP
PROJECTS

POWER GROUP PROJECTS CORP.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED APRIL 30, 2026 AND 2025

(Expressed in Canadian Dollars)

NOTICE TO READER

The accompanying unaudited condensed Interim Financial Statements of Power Group Projects Corp. (the “Company”) for the three months ended April 30, 2026, have been prepared by management, reviewed by the Audit Committee, approved by the Board of Directors of the Company, and should be read in conjunction with the Company’s audited financial statements for the year ended January 31, 2026.

In accordance with National Instrument 51-102, Continuous Disclosure Obligations of the Canadian Securities Administrators, the Company herewith discloses that the accompanying unaudited Interim Financial Statements have not been reviewed by an auditor.

Calgary, Alberta

June 29, 2026

POWER GROUP PROJECTS CORP.
Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
For the three months ended April 30, 2026
(Expressed in Canadian dollars, except share amounts)

	April 30, 2026	January 31, 2026
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 7,189	\$ 28,396
Prepays and sundry receivables	3,862	3,862
GST receivable	26,449	25,163
Related party loans (note 6)	6,000	-
	43,500	57,421
Total Assets	\$ 43,500	\$ 57,421
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	609,912	561,898
Related party loans payable (note 6)	93,124	96,015
	703,036	657,913
Long-term liabilities		
Related party loans payable (note 6)	25,216	24,926
	25,216	24,926
	728,252	682,839
Shareholders' equity		
Share capital (note 7)	25,096,832	25,096,832
Contributed Surplus (note 7)	2,382,778	2,382,778
Deficit	(28,164,362)	(28,105,028)
Total shareholders' equity	(684,752)	(625,418)
	\$ 43,500	\$ 57,421

Nature of Business, Continuance of Operations and Going Concern (Note 1)

Approved by the Board

"Christopher Huggins"
Director (Signed)

"Scott Hayduk"
Director (Signed)

POWER GROUP PROJECTS CORP.
Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
For the three months ended April 30, 2026
(Expressed in Canadian dollars, except share amounts)

	Three Months Ended	
	April 30	April 30
	2026	2025
Operating expenses		
Consulting and Management fees	\$ 42,000	\$ 2,250
Exploration and evaluation expenditures	-	(39,711)
Insurance	-	2,883
Office	208	1,316
Professional fees	10,189	8,435
Shareholder communications	-	-
Transfer agent and regulatory fees	5,537	5,663
	\$ (57,934)	\$ 19,164
Non-operating expenses		
Interest expense	1,400	320
Net and comprehensive loss for the period	\$ (59,334)	\$ 18,844
Basic and fully diluted loss per share	(0.003)	0.002
Weighted average number of shares outstanding	16,956,056	11,956,056

POWER GROUP PROJECTS CORP.**Condensed Interim Consolidated Statements of Changes in Shareholders' Equity****For the three months ended April 30, 2026***(Expressed in Canadian dollars, except share amounts)*

	Number of common shares	Share capital	Contributed surplus	Deficit	Total
Balance - January 31, 2025	11,956,056	25,040,700	2,342,160	(27,906,230)	(523,370)
Shares issued for cash	5,000,000	100,000	-	-	100,000
Fair value of warrants	-	(40,618)	40,618	-	-
Share issuance costs	-	(3,250)	-	-	(3,250)
Net loss for the period	-	-	-	(198,798)	(198,798)
Balance - January 31, 2026	16,956,056	25,096,832	2,382,778	(28,105,028)	(625,418)
Net loss for the period	-	-	-	(59,334)	(59,334)
Balance - April 30, 2026	16,956,056	25,096,832	2,382,778	(28,164,362)	(684,752)

	Number of common shares	Share capital	Contributed surplus	Deficit	Total
Balance - January 31, 2025	11,956,056	25,040,700	2,342,160	(27,906,230)	(523,370)
Net loss for the period	-	-	-	18,844	18,844
Balance - April 30, 2025	11,956,056	25,040,700	2,342,160	(27,887,386)	(504,526)

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, options, and warrants issued and outstanding on these Interim Financial Statements have been adjusted retroactively to reflect the share consolidation.

POWER GROUP PROJECTS CORP.
Condensed Interim Consolidated Statements of Cash Flows
For the three months ended April 30, 2026
(Expressed in Canadian dollars)

	Three Months Ended April	
	30,	
	2026	2025
Cash provided by (used in)		
Operating activities		
Net loss for the period	\$ (59,334)	\$ 18,844
Items not affecting cash		
Accrued interest charges	1,399	-
	\$ (57,935)	\$ 18,844
Net changes in non-cash working capital		
GST receivable	(1,286)	(1,358)
Prepaid expenses and sundry receivables	-	(4,619)
Accounts payable and accrued liabilities	48,014	(29,892)
Net cash used in operating activities	\$ (11,207)	\$ (17,025)
Financing activities		
Proceeds from related party loan	-	24,437
Repayment of related party loan	(4,000)	-
Related party loan receivable	(6,000)	-
Cash provided by financing activities	\$ (10,000)	24,437
Net change in cash	\$ (21,207)	\$ 7,412
Cash, beginning of period	\$ 28,396	\$ 627
Cash, end of period	\$7,189	\$8,039

POWER GROUP PROJECTS CORP.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended April 30, 2026 and 2025

(Expressed in Canadian dollars)

1. NATURE OF BUSINESS, CONTINUANCE OF OPERATIONS AND GOING CONCERN

a) Nature of Operations

Power Group Projects Corp. (formerly Cobalt Power Group Inc.), (the “**Company**”) was incorporated under the BC Business Corporations Act on December 14, 2009, and is listed on the TSX Venture Exchange (“**TSX:V**”) under the symbol “PGP”.

The Company’s registered office is at 2912 West Broadway Street, Unit 309, Vancouver, British Columbia V6K 0E9.

The Company’s principal business activity is the acquisition and exploration of resource properties in Canada. The Company presently has no proven or probable reserves, and on the basis of information to date, it has not yet determined whether these properties contain economically recoverable ore reserves. Consequently, the Company considers itself to be an exploration stage company.

b) Continuance of Operations and Going Concern

These unaudited condensed Interim Financial Statements (“**Interim Financial Statements**”) have been prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for its next fiscal year. Realization values may be substantially different from carrying values as shown and these Interim Financial Statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern.

The Company had comprehensive loss for the period ended April 30, 2026 of \$59,334 (2025: Income \$18,844). As at April 30, 2026, the Company had cash of \$7,189 (January 31, 2026: \$28,396), working capital deficit of \$659,536 (January 31, 2026: \$625,418) and an accumulated deficit of \$28,164,362 (January 31, 2026: \$28,105,028) since inception and expects to incur further losses in the development of its business. The Company’s ability to continue operations in the normal course of business is dependent upon establishing sufficient cash flows from its exploration projects or on the receipt of additional debt or equity financing. The nature and significance of these conditions, along with the continuing losses and accumulated deficit, cast significant doubt on the Company’s ability to continue as a going concern. These Financial Statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different than those reflected in the Financial Statements. Such adjustments could be material.

2. BASIS OF PRESENTATION

a) Statement of Compliance

These Interim Financial Statements of the Company have been prepared in accordance with International Accounting Standards (“IAS”) 34 “Interim Financial Reporting” using accounting policies consistent with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

This interim financial report does not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in the financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended January 31, 2026 (the “**Audited Financial Statements**”).

POWER GROUP PROJECTS CORP.**Notes to the Condensed Interim Consolidated Financial Statements****For the three months ended April 30, 2026 and 2025*****(Expressed in Canadian dollars)***

The accounting policies applied in the preparation of these Interim Financial Statements are consistent with those applied and disclosed in the Company's Audited Financial Statements for the year ended January 31, 2026, with the exception of certain amendments to accounting standards issued by the IASB. These amendments did not have a significant impact on the Company's interim financial statements. The Company's interim results are not necessarily indicative of its results for a full year. These Interim Financial Statements are expressed in Canadian dollars, the Company's functional currency and presentation currency, and have been prepared on a historical cost basis. The accounting policies set out in Note 3 of the Audited Financial Statements at January 31, 2026, have been applied consistently to all periods presented in these interim financial statements.

These Interim Financial Statements were approved for issuance by the Board of Directors on June 29, 2026.

b) Basis of Consolidation

These Interim Financial Statements of the Company include the transactions and balances of its subsidiaries, Canadian Cobalt Projects Inc., Little Trout Cobalt Development Corp., Ontario Cobalt Property Developers Inc., Western Cobalt Corp., and Pallplat Metals Inc., which are wholly-owned subsidiaries incorporated in Canada and are currently inactive. The Company consolidates its subsidiaries on the basis that it controls the subsidiaries. In determining whether the Company controls each subsidiary, management is required to assess the definition of control in accordance with IFRS 10 - Consolidated Financial Statements. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity to obtain benefits from its activities. All intercompany balances, transactions, income and expenses, and profits or losses have been eliminated on consolidation.

c) Basis of Measurement

These Interim Financial Statements have been prepared on a historical cost basis.

In addition, these Interim Financial Statements have been prepared using the accrual basis of accounting, except for cash flow information. The functional currency of the Company and its subsidiaries is the Canadian dollar, being the currency of the economic environment of the Company's operations. The functional currency is also the presentation currency.

The preparation of these Interim Financial Statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. See Note 4 for Critical Accounting Estimates and Judgments made by management in the application of IFRS in the Audited Financial Statements.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies used in the preparation of these Interim Financial Statements set out below have been applied consistently to all periods presented in all material respects.

a) Business Combinations

Business combinations are accounted for using the acquisition method when the acquisitions of companies and /or assets meet the definition of a business under IFRS. The cost of an acquisition is measured at the fair value of the assets given up, equity instruments issued and liabilities incurred or assumed at the date of acquisition. The acquired identifiable assets and liabilities are measured initially at their fair value at the date of acquisition. The fair value of exploration and evaluation assets and property and equipment is the estimated amount for which these assets could be exchanged on the acquisition date between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. Any excess of the purchase price over the fair value of the identifiable assets and liabilities acquired is recognized as goodwill. If the cost of acquisition is less than fair value of the identifiable assets and liabilities, the difference is recorded as a gain in profit or loss. Associated transaction costs are expensed when incurred.

b) Basic and Diluted Loss per Share

Basic loss per share is computed by dividing the net loss for the year by the weighted average number of common shares outstanding during the year. Diluted loss per share reflects the potential dilution that could occur if the dilutive securities were exercised or converted to common shares.

The dilutive effect of the options and warrants are computed by application of the treasury stock method and the effect of convertible securities by the "if converted" method. Diluted amounts are not presented when the effect of the computations are anti-dilutive due to the losses incurred. Accordingly, there is no difference in the amounts presented for basic and diluted loss per share in the years presented.

c) Mineral Property and Right Acquisition Costs

Mining property and right acquisition costs include the cash consideration and the fair market value of shares issued for mineral property interests pursuant to the terms of the relevant agreements. These costs are expensed as incurred.

d) Exploration and Evaluation Expenditures

The Company expenses exploration and evaluation expenditures as incurred. Exploration and evaluation expenditures include acquisition cost of mineral properties, property payments and evaluation activities. Once a project has been established as commercially viable and technically feasible, related development expenditures are capitalized. This includes costs incurred in preparing the site for mining operations. Capitalization ceases when the mine is capable of commercial production, with the exception of development costs that give rise to a future benefit.

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance history characteristic of many mineral properties. The Company has investigated title to its mineral properties and, to the best of its knowledge, the title to its properties are in good standing.

e) Share Capital

Share issue costs

Costs directly identifiable with the raising of share capital financing are charged against share capital. Share issue costs incurred in advance of share subscriptions are recorded as non-current deferred assets. Share issue costs related to uncompleted share subscriptions are charged to operations.

Value of warrants

Proceeds from unit placements are allocated between shares and warrants using the relative fair value approach to calculate the fair value allocation between common shares and share purchase warrants. The value of unit warrants and compensatory warrants issued to brokers is determined by using the Black-Scholes model.

4. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Interim 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 Interim 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 Interim Financial Statements are as follows:

(i) Warrant valuation

The Company uses the Black-Scholes option-pricing model to determine the fair value of options in order to calculate the value of warrants issued. The Black-Scholes model involves six key inputs to determine the fair value of an option: risk-free interest rate, exercise price, the 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.

(ii) 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.

(iii) Going concern:

The Company's management has made an assessment of the Company's ability to continue as a going concern, and the Interim 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. These Interim 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.

5. EXPLORATION AND EVALUATION

a. 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. (collectively "Cloudbreak"), 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 \$0.035 per common share, being the closing market price on the date of closing, to the vendors; (ii) a cash payment in the amount of \$50,000 which had been paid; and (iii) a cash payment in the amount of \$50,000 to BCCo or as BCCo may direct, upon closing of the transaction which had been paid.

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

- 300,000 Option Shares on the signing of a go public agreement (issued)
- 250,000 Option Shares on the second anniversary of the Effective Date
- 250,000 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 250,000 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.

In February 2025, the mineral rights related to the Property were sold to an independent third party for \$50,000 plus unpaid property taxes and the Company no longer has rights to this property. The proceeds received from the sale were recorded as a recovery in exploration and evaluation expenditures.

POWER GROUP PROJECTS CORP.**Notes to the Condensed Interim Consolidated Financial Statements****For the three months ended April 30, 2026 and 2025*****(Expressed in Canadian dollars)***

b. Sugarbowl

On June 30, 2025 the company announced a letter of intent ("LOI") to purchase all the outstanding share capital (the "Transaction") of Sugarbowl Copper Ltd. ("Sugarbowl"). Sugarbowl is a privately-held company involved in the exploration and development of mineral resource projects in the Province of British Columbia. Its principal focus is on the exploration of a series of three mineral claims, totaling 3,130.22 hectares, and commonly referred to as the "Pet Silica Project". Sugarbowl holds the right to acquire the Pet Silica Project, subject to a two percent net smelter returns royalty, in consideration for a series of cash payments and exploration expenditures. In addition to the Pet Silica Project, Sugarbowl also holds the right to acquire a further two mineral claims, totaling 1,174.76 hectares, and commonly referred to as the "Goat Project".

In connection with the LOI, the Company has commissioned a geological report on the Pet Silica Project which is expected to be the principal focus of the Company following completion of the Transaction. As at January 31, 2026, the Company has spent approximately \$35,500 related to the geological report and other analysis. The Company continues to evaluate the geological report and related analysis and as at January 31, 2026 and the date of these Financial Statements, the Transaction is expected to be completed in Q2 2026.

Following completion of the Transaction, it is anticipated that the Company will continue to be listed as a Tier 2 Mining issuer on the TSX Venture Exchange ("TSX-V") and will continue the existing business of Sugarbowl. The Transaction will constitute a reverse-takeover of the Company, in accordance with TSX-V Policy 5.2 – Changes of Business and Reverse Takeovers.

The capital structure of Sugarbowl currently consists of 78,800,000 common shares (each, an "SBC Share") and an equivalent number of share purchase warrants. Immediately prior to completion of the Transaction, the Company will consolidate (the "Consolidation") the outstanding PGP Shares on a ten-for-one basis (each post-Consolidation PGP Share, a "Resulting Issuer Share").

In consideration for Transaction, the Company will issue 20,000,000 Resulting Issuer Shares and 10,000,000 share purchase warrants (each, a "Resulting Issuer Warrant") to the existing share and warrant holders of Sugarbowl. Each Resulting Issuer Warrant will entitle the holder to acquire an additional Resulting Issuer Share at a price of \$0.20 for a period of sixty months following issuance. Upon completion of the Transaction, it is expected that the Company will change its name and reconstitute its board of directors and management of the Company. The Company will provide further information concerning the proposed new name and directors and officers of the Company as soon as it becomes available.

Completion of the Transaction is subject to a number of conditions including the satisfactory completion of due diligence, the negotiation and entering into of a definitive agreement, receipt of all required regulatory and third-party consents, including approval of the TSX-V, receipt of approval of the shareholders of the Company, completion of the Concurrent Financing and satisfaction of other customary closing conditions. The Transaction requires approval of the shareholders of the Company in accordance with the policies of the TSX Venture Exchange. The Company intends to obtain shareholder approval through the written consent of the majority of its outstanding share capital.

6. RELATED PARTY LOANS

During the year ended January 31, 2025, the Company received loans from a shareholder and a company associated with a shareholder for \$16,000. These loans payable bear an interest rate of 5% per annum, unsecured, and mature in 24 months. The entire balance of the loans, including accrued and unpaid interest, have been classified as current.

On February 17, 2025, the Company received a loan from a company controlled by a shareholder, for up to \$25,000 bearing interest of 5% per annum, unsecured, and matures in 24 months. To date, the

POWER GROUP PROJECTS CORP.**Notes to the Condensed Interim Consolidated Financial Statements****For the three months ended April 30, 2026 and 2025****(Expressed in Canadian dollars)**

Company has drawn \$23,792 on the loan, and the entire balance including accrued and unpaid interest has been classified as long-term.

In January 2026, the Company received loans totalling \$75,000 from shareholders and companies controlled by shareholders. As at January 31, 2026 and the date of these Financial Statements, the loan agreements had not yet been executed and the Company expects these loans payable will bear an interest rate of 5% per annum, unsecured, and mature in 24 months. The entire balance of the loans have been classified as current until the executed agreements are signed.

During the year ended January 31, 2026 Sugarbowl paid \$4,000 for expenses on behalf of the Company. The loan was non-interest bearing and with no set terms of repayment. In April 2026, the Company repaid this loan and lent Sugarbowl \$6,000. The loan receivable is non-interest bearing with no set terms of repayment and has been classified as current.

	April 30,		January 31,	
	2026	2025	2026	
Related party loans current portion ¹	\$ 93,124	\$ -	\$ 96,015	
Related party loans ¹	25,216	40,437	24,926	
	\$ 118,340	\$ 40,437	\$ 120,941	

(1) Includes accrued and unpaid interest.

7. SHARE CAPITAL**a) Authorized, issued and outstanding**

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, options, and warrants issued and outstanding on these Interim Financial Statements have been adjusted retroactively to reflect the share consolidation.

An unlimited number of common shares without par value.

Share capital issued and outstanding

	Number of common shares	Share capital
Balance - January 31, 2025	11,956,056	\$ 25,040,700
Shares issued for cash	5,000,000	100,000
Share issuance costs		(3,250)
Valuation of warrants		(40,618)
Balance - April 30 and January 31, 2026	16,956,056	25,096,832

POWER GROUP PROJECTS CORP.**Notes to the Condensed Interim Consolidated Financial Statements****For the three months ended April 30, 2026 and 2025****(Expressed in Canadian dollars)***b) 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. The current plan was adopted by the Board on October 25, 2024 (the “**Effective Date**”), and approved by the shareholders of the Corporation on December 12, 2024. The Omnibus Security Based Incentive Plan (the “**Plan**”) allows a maximum of 20% of the issued shares to be reserved for issuance under the Plan and includes options, Deferred Share Units (“**DSU**”), Performance Share Units (“**PSU**”), and Restricted Share Units (“**RSU**”). Under the Plan, the number shares reserved for issuance pursuant to DSU and PSU is 10% of the issued and outstanding shares as of the Effective Date. The number of shares reserved for the issuance pursuant to options is 10% of the issued and outstanding shares as at the time of the applicable option grant. The maximum number of shares issuable to insiders at any time under the Plan, shall not exceed 10% of the issued and outstanding shares.

The options can be granted for a maximum of 10 years and vest as determined by the Board of Directors. The RSU restriction period shall end no later than 3 years after the calendar year after the calendar year in which the performance of services for which the RSU is granted and the vesting period is determined by the Board of Directors.

During the three months ended April 30, 2026 and 2025, the Company recognized a share-based compensation expense of \$Nil as all options granted had vested at the period ending dates.

Stock options for the periods ended April 30, 2026 and January 31, 2026 are:

	Number	Weighted Average Exercise Price
Balance and exercisable at January 31, 2025	150,000	\$ 1.00
Options forfeited	(150,000)	\$ (1.00)
Balance at April 30 and January 31, 2026	-	-

c) Warrants

	Number	Weighted Average Exercise Price	Remaining Life (In Years)	Expiry Date
Issued in private placement	5,000,000	\$0.05	3.14	June 19, 2029
Total and exercisable balance at April 30 and January 31, 2026	5,000,000	\$0.05	3.14	

As part of the private placement completed on June 19, 2025, there were 5,000,000 warrants exercisable at a price of \$0.05 per share and expiring June 19, 2029. The Company used the Black-Scholes model to determine the fair value of the warrants using the following assumptions:

Risk-free interest rate	2.89%
Expected warrant life in years	4
Expected stock price volatility	117.5%
Expected dividend rate	-
Exercise price	\$0.05
Fair value per warrant	\$0.0171
Stock price at grant date	\$0.025

An adjustment of \$40,618 was recorded to contributed surplus representing the value of the warrants.

POWER GROUP PROJECTS CORP.**Notes to the Condensed Interim Consolidated Financial Statements****For the three months ended April 30, 2026 and 2025****(Expressed in Canadian dollars)****d) Concurrent Financing**

As part of the Sugarbowl Transaction (Note 5 (c)) and pursuant to the LOI, the Company will complete a non-brokered private placement (the "Concurrent Financing") of subscription receipts (each, a "Receipt") at a price of \$0.15 per Receipt to raise a minimum of \$650,000. Proceeds from the Concurrent Financing will be held in escrow pending completion of the Transaction. Immediately prior to completion of the Transaction, each Receipt will automatically be converted into one unit (each, a "Resulting Issuer Unit"). Each Resulting Issuer Unit will consist of one Resulting Issuer Share and one share purchase warrant entitling the holder to acquire one additional Resulting Issuer Share at a price of \$0.20 for a period of sixty months following closing of the Transaction.

Net proceeds of the Concurrent Financing will be used to advance development of the Pet Silica Project, and for working capital and general corporate purposes. The Company may pay finders' fees to eligible parties who assist introducing subscribers to the Concurrent Financing. All securities issued in connection with the Concurrent Financing will be subject to a four-month-and-one-day statutory hold period in accordance with applicable securities laws.

As at April 30, 2026 and the date of these Financial Statements the Company has not completed the Concurrent Financing and it is ongoing.

8. RELATED PARTY TRANSACTIONS

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 current and prior Chief Executive Officer, Chief Financial Officer, and Chief Operating Officer.

During the three months ended April 30, 2026, and 2025, key management compensation consisted of the following:

	April 30,	
	2026	2025
Consulting and management fees	\$ 42,000	\$ 2,250
	\$ 42,000	\$ 2,250

At April 30, 2026, included in accounts payable and accrued liabilities is \$496,574 (2025 – \$413,574) owing to individuals and companies controlled by either a director or shareholder, or an officer (current or prior) or owed directly to a director or officer (current or prior). These amounts payable are non-interest bearing, unsecured and have neither specific terms nor a date of repayment.

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 April 30, 2026, and 2025, the balance of loans are as follows:

For the years ended	April 30, 2026	April 30, 2025
Pedro Resource Ltd.	101,133	101,133
Allowance for doubtful accounts	(101,133)	(101,133)
Net loans receivable	-	-

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

9. CAPITAL RISK MANAGEMENT

The Company considers its capital structure to consist of shareholders' equity (deficiency). The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development 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 are in the exploration stage; as such, the Company is dependent on external financing to fund its activities. Additional sources of funding, which may not be available on favourable terms, if at all, include share equity and debt financings; equity, debt or property level joint ventures; and sale of interests in existing claims. In order to carry out the planned exploration and development and pay for operating expenses, the Company will spend its existing working capital and raise additional amounts as needed. 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 three months ended April 30, 2026. 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, all held within major Canadian financial institutions.

10. FINANCIAL INSTRUMENTS

The Company is exposed in varying degrees to a variety of financial instrument-related risk. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

(a) Fair values

For the Company's financial instruments, including cash, sundry receivable, related party receivables, accounts payable and accrued liabilities, the carrying amounts approximate fair value due to their immediate or short-term maturity.

For the Company's Related Party Loans, the carrying amounts approximate fair value as interest is accrued on the outstanding and unpaid amounts at a fair market rate.

(b) Currency risk

The Company currently does not have any significant exposure to foreign currency risk.

(c) 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.

POWER GROUP PROJECTS CORP.

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For the three months ended April 30, 2026 and 2025

(Expressed in Canadian dollars)

(d) Liquidity risk

Liquidity risk is the risk that the Company will not meet its financial obligations as they fall due. The Company has a planning and budgeting process to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company tries to ensure 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 primarily from the issuance of equity securities for cash, predominantly through private placements. As at April 30, 2026, the Company had cash of \$7,189 (January 31, 2025 - \$28,396) and accounts payable and accrued liabilities of \$561,898 (January 31, 2026 - \$561,898), and related party loans of \$118,340 (January 31, 2026 - \$120,941) of which \$93,124 are classified as current (January 31, 2026 - \$96,015). All accounts payable and accrued liabilities are due on demand. Related party loans of \$93,124 are expected to mature within one year, while long-term related party loans of \$25,216 mature within two years.