
POWER GROUP PROJECTS CORP.

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

**For the Three Months Ended
April 30, 2026 and 2025**

(Expressed in Canadian Dollars)

POWER GROUP PROJECTS CORP.

Management’s Discussion and Analysis of Financial Condition and Results of Operations
For three months ended April 30, 2026 and 2025

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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 interim financial results for the three months ended April 30, 2026. The following information should be read in conjunction with the accompanying annual audited financial statements for the year ended January 31, 2026 (the “**Financial Statements**”), 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 months ended April 30, 2026, and 2025 financial information contained herein is expressed in Canadian dollars unless stated otherwise. All information in this MD&A is current as of June 29, 2026, unless stated otherwise. This MD&A is intended to supplement and complement the Company’s Financial Statements 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 (the “**Board**”), this MD&A was reviewed, approved and authorized for issue by the Company’s Audit Committee on June 29, 2026.

Description of Business

Power Group is a public company incorporated in British Columbia, under the “British Columbia Business Corporation Act” on December 14, 2009, and its common shares are listed on the TSX Venture Exchange (the “TSXV”), trading under the symbol (“PGP”).

Head & Registered Office
2912 West Broadway Street,
Unit 309
Vancouver, British Columbia
V6K 0E9

Share Information
Common shares are listed for
trading on the TSXV “PGP”.

Investor Information
Financial reports, news releases, and
corporate information is available on
<https://www.powergroupproject.com>
and on SEDAR at www.sedar.com

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

Contact Information
Investors: Scott Hayduk

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

<u>Directors</u>	<u>Officers and Position</u>
Scott Hayduk Christopher Huggins	Tara Leray, Chief Financial Officer Interim Chief Executive 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 AND SUBSEQUENT EVENTS

- On September 25, 2024, the Company completed a share consolidation on a 10:1 basis. All comparative information impacted has been retrospectively restated reflecting the consolidated basis.
- On December 18, 2024, Mr. Brad Kitchen resigned as a member of the Board of Directors, and Mr. Christopher Huggins was appointed to the Board on February 10, 2025. Mr. Huggins brings over 25 years of expertise in the mining, technology and capital equipment industries. Holding a BSc in geology (honours), he began his career as a regional exploration geologist with Homestake, working on notable projects around Eskay Creek, Snip Mine, Stewart and Dease Lake camps. Over the past 15 years, he has delivered innovative capital equipment and financial solutions for surface and underground mining operations in the Northwest Territories and Yukon. Mr. Huggins has also managed global and national Caterpillar accounts at Finning, and has been president, chief executive officer and board member for a number of gold, uranium and battery metal exploration companies. Currently, he is CEO of Collective Metals Inc. and Troubadour Resources Inc.
- On February 7, 2025 the Company sold mining rights to its properties located in the Municipalities of Coleman, Temiskaming Shores and Lorrain British Columbia for gross proceeds of \$50,000 to an independent third party.
- On February 17, 2025, the Company signed a loan agreement with a Company controlled by a shareholder, for up to \$25,000 bearing interest of 5% per annum and matures in 24 months. To date, the Company has drawn \$23,792.11 on the loan.
- On May 20, 2025 the Company announced a non-brokered private placement of up to 5,000,000 units at a price of \$0.02 per unit for gross proceeds of \$100,000. Each Unit is comprised of one common share of the Issuer (a "Share") and one common share purchase warrant (a "Warrant"). Each Warrant entitles the Subscriber to purchase one additional common share of the Company (a "Warrant Share") at a price of \$0.05 per Warrant Share for a period of four years from the Closing Date. There will be no insider participation in the Financing. The Company intends to use 60% of the proceeds from the Financing to pay the Company's auditors for the previous year's audit and the current year's audit, 10% of the proceeds for general expenses and administration and 30% of the proceeds for project evaluation and related legal fees. On June 19, 2025 the placement was closed.
- On June 30, 2025 the Company announced that it had signed a letter of intent ("LOI") to purchase the issued and outstanding shares of Sugarbowl Copper Ltd. ("**Sugarbowl**"). Sugarbowl has mineral claims in the Province of British Columbia totalling 3,130.22 hectares. See the Property Summary of this MD&A for more details about the Sugarbowl acquisition (the "**Transaction**").
- In January 2026, the Company received loan financing from related parties totalling \$75,000. These loans bear interest of 5% per annum and mature in January 2028.

3. PROPERTY SUMMARY

	April 30, 2026						April 30, 2025					
	Atlin West	Sugarbowl	Other	Rizz/ Ice Fall	Smith Cobalt	Total	Atlin West	Ice Fall	Other	Rizz	Smith Cobalt	Total
Geological consulting	-	-	-	-	-	\$ -	-	-	12,927	-	-	\$ 12,927
Sale of mineral rights	-	-	-	-	-	\$ -	-	-	-	-	(50,000)	\$ (50,000)
Property tax	-	-	-	-	-	\$ -	-	-	-	-	(2,638)	\$ (2,638)
Totals	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,927	\$ -	\$ (52,638)	\$ (39,711)

1. 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 Transaction, 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 April 30, 2026, the Company has spent approximately \$34,000 on the report, an additional \$20,000 in other expenditures and the work is ongoing.

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.

Pursuant to the LOI, and in connection with the Transaction, 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.

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.

As at April 30, 2026 and the date of this MD&A, the Transaction is not complete and still ongoing subject to the completion of the due diligence, closing conditions, and obtaining the required financing.

2. 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 2.4 million common shares in the capital of the company, at a price of \$0.005 per common share to the vendors; (ii) a cash payment in the amount of \$50,000 (paid); and (iii) a cash payment in the amount of \$50,000 to BCCo or as BCCo may direct, upon closing of the transaction (paid).

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

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.

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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 800,000 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.

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 as such 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.

3. SUMMARY OF QUARTERLY RESULTS

Three months ended	30-Apr-26	31-Jan-26	31-Oct-25	31-Jul-25
Income/(loss) before non-operating expenses	\$ (57,934)	\$ (126,360)	\$ (42,510)	\$ (47,267)
Income/(loss) before income taxes	\$ (59,334)	\$ (126,863)	\$ (43,010)	\$ (47,769)
Income/(loss) per common share, basic and diluted	\$ (0.003)	\$ (0.007)	\$ (0.003)	\$ (0.003)
Net and comprehensive Income/(loss)	\$ (59,334)	\$ (126,863)	\$ (43,010)	\$ (47,769)
Net and Comprehensive Income/(loss) (per Common Share, Basic and Diluted)	\$ (0.003)	\$ (0.007)	\$ (0.003)	\$ (0.003)

Three months ended	30-Apr-25	31-Jan-25	31-Oct-24	31-Jul-24
Loss before non-operating expenses	\$ 19,164	\$ (279,457)	\$ (38,264)	\$ (27,933)
Loss before income taxes	\$ 18,844	\$ (279,458)	\$ (38,264)	\$ (28,646)
Loss per common share, basic and diluted	\$ 0.002	\$ (0.023)	\$ (0.003)	\$ (0.000)
Net and comprehensive loss	\$ 18,844	\$ (279,458)	\$ (38,264)	\$ (28,646)
Net and Comprehensive Loss per Common Share, Basic and Diluted	\$ 0.002	\$ (0.023)	\$ (0.003)	\$ (0.000)

4. 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 Financial Statements for the summary of significant accounting policies.

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Three months ended April 30, 2026 and 2025

For the three months ended April 30, 2026, the Company recorded net and comprehensive loss of \$59,334 or (\$0.003) per share compared to net and comprehensive income of \$18,844 or \$0.002 per share in the comparable period. The overall increase in net and comprehensive loss of \$78,178 primarily attributable to the increased consulting and management and professional fees.

	Three months ended 30-Apr-26	Three months ended 30-Apr-25	Variance	Discussion
Consulting and management fees	42,000	2,250	39,750	Consulting & management fees increased due to planned transaction with Sugar Bowl
Exploration and evaluation expenditures	-	(39,711)	39,711	The Company sold its mineral rights in the Atlin property to a third party for \$50,000. As part of the purchase agreement the purchaser agreed to pay the outstanding property taxes on the property, and as such the payable for the property taxes was reversed. The Company had some geological fees incurred related to possible future development projects.
Insurance	-	2,883	(2,883)	D&O insurance
Office	208	1,316	(1,108)	Consists of expenses related to dues and subscriptions for software and cloud services.
Professional fees	10,189	8,435	1,754	2025 includes expenses related to the sale of the mineral rights and 2026 includes legal and accounting fees related to the Sugarbowl transaction.
Transfer agent and regulatory fees	5,537	5,663	(126)	Annual reporting and filing fees for the TSX, including the additional costs of the share consolidation
Interest expense	1,400	320	1,080	Primarily interest on related party loans

5. 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 April 30, 2026, the Company had \$7,189 in cash and cash equivalents (January 31, 2026 - \$28,396). 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. As at April 30, 2026 the Company has obtained \$118,340 (January 31, 2026 - \$120,941) of unsecured related party loans, including accrued and unpaid interest, bearing interest of 5% per annum and maturing 24 months on the anniversary date.

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.

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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 April 30, 2026, the Company had a working capital deficit of \$659,536 (2025 – \$464,089) and long-term related party loans of \$25,216 (2025 - \$40,437). The working capital deficit has increased since January 31, 2026 due to addition of related party loans totalling \$93,124 classified as current, offset by the sale of mineral rights, along with the increased operational costs incurred while pursuing potential financing and the Sugarbowl project. The Company has managed its working capital by controlling its spending on its properties and operations. Due to the ongoing planned exploration acquisitions over the near term, the Company intends to continue to incur expenditures without revenues and accumulate operating losses. Therefore, our continuance as a going concern is dependent upon our ability to obtain adequate financing to fund future exploration and development and to reach profitable levels of operation, and to work with our related party lenders to extend the terms of debt repayment or obtain alternative financing when these loans become due. 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 capital lease obligations, operating or any other long-term obligations other than those mentioned above.

Capital Resources

On April 30, 2026 the Company had \$7,189 in cash.

Contractual Commitments

The Company's exploration activities are subject to various federal, provincial and international laws and regulations governing the protection of the environment. These laws and regulations are continually changing and are generally becoming more restrictive. The Company conducts its operations to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to continue to make in the future, filings and expenditures to comply with such laws and regulations.

Capital Risk Management

The Company's capital structure consists of common shares and warrants. The Company manages its capital structure and adjusts it, based on available funds, to support the acquisition and exploration of mineral properties. The Board does not establish quantitative returns on capital criteria for management.

The Company does not have any operating interests generating revenue 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.

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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 with maturities of year or less from the original date of acquisition, all held with major Canadian financial institutions.

6. 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 current Chief Executive Officer and Chief Financial Officer.

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

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

		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.

At April 30, 2026, included in accounts payable and accrued liabilities is \$496,524 (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.

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 mature in 24 months. To date, the Company has drawn \$23,792.11 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 April 30, 2026 and the date of these Financial Statements, the loan agreements are unexecuted and the Company expects these loans payable will bear an interest rate of 5% per annum, unsecured, and mature in 24 months.

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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.

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 three months ended	April 30, 2026	April 30, 2025
Pedro Resource Ltd.	101,133	101,133
Allowance for doubtful account	(101,133)	(101,133)
Net loans receivable	-	-

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

7. 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 April 30, 2026, 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 April 30, 2026						As at January 31, 2026	
	Input Level	Carrying Amount	Estimated Fair value			Carrying Amount	Estimated Fair value
<i>Financial Assets:</i>							
Cash	1	\$ 7,189	\$ 7,189	\$		28,396	\$ 28,396
Related party loan	1	6,000	-			-	-
		13,189	\$ 7,189	\$		28,396	\$ 28,396
As at April 30, 2026						As at January 31, 2026	
	Input Level	Carrying Amount	Estimated Fair value			Carrying Amount	Estimated Fair value
<i>Financial Liabilities:</i>							
Accounts payable and accrued liabilities	1	\$ 609,912	\$ 609,912	\$		561,898	\$ 561,898
Related party loans	1	118,340	118,340			120,941	120,941
		\$ 728,252	\$ 728,252	\$		682,839	\$ 682,839

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Fair values

For the Company's financial instruments, including related party receivable, 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.

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 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.

8. 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, 2026 (available under the Company's SEDAR+ profile at 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.

9. DISCLOSURE OF OUTSTANDING SHARE DATA

Common Shares

a) *Authorized*

An unlimited number of common shares without par value.

b) *Issued and Outstanding*

As at April 30, 2026, the Company had 16,956,056 common shares issued and outstanding.

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c) Stock Options

The Company has a fixed stock option plan which follows the policies of the TSX Venture Exchange ("TSX-V") regarding stock option awards granted to directors, officers, employees and consultants. Pursuant to the Company stock option plan, there is an allowance of up to a maximum of 10% of the outstanding shares to be reserved to be issued. As at January 31, 2026 existing options have been forfeited and the Company does not have any current options issued.

A summary of the changes in the stock purchase options for the three months ended April 30, 2026 compared to the year ended January 31, 2026 are as follows:

	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	-	-

On April 13, 2021 (the "Grant Date"), the Company has granted stock options (collectively, the "Options") to management and consultants to purchase of up to 1,500,000 common shares of the Company (each, a "Share"), pursuant to the Company's Stock Option Plan. The Options are exercisable at an exercise price of \$0.10 per Share and is valid for a period of five years from the Grant Date. Options vest: (i) 25% shall vest on the date that is six months from the Grant Date; (ii) 25% shall vest on the first anniversary of the Grant Date; (iii) 25% shall vest on the date that is eighteen months from the Grant Date; and (iv) 25% shall vest on the second anniversary of the Grant Date. On June 21, 2021, the Company granted an additional 200,000 options to a consultant with the same vesting and expiry terms as the aforementioned April 13, 2021 grant. The above balances reflect the impact of the options and the price per option as a result of the share consolidation on September 25, 2024.

d) 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.

10. OFF-BALANCE SHEET ARRANGEMENTS

During the three months ended April 30, 2026 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.

11. 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) 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.

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.

12. APPROVAL

The Audit Committee of Power Group Projects Corp. has reviewed and approved the disclosure contained in this April 30, 2026 MD&A. Further information about the Company is available under our SEDAR+ profile at www.sedarplus.ca.