Power Group Announces Entering into Definitive Agreement with 1315843 B.C. LTD.

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Toronto, December 9, 2021 - Power Group Projects Corp. (TSXV: PGP) (the "Company") is pleased to announce that, further to its press release of October 18, 2021, it has entered into an arm's length share purchase agreement (the "Share Purchase Agreement") dated December 8, 2021 among the Company, 1315843 B.C. Ltd. ("BCCo") and the shareholders of BCCo (collectively, the "Vendors") to acquire all of the issued and outstanding common shares in the capital of BCCo (the "Transaction"). BCCo is a private company incorporated under the laws of the Province of British Columbia, whose sole asset is an option agreement dated August 9, 2021 (the "Option Agreement") with Cloudbreak Discovery PLC ("Cloudbreak") and Cloudbreak Discovery (Canada) Ltd. (together with Cloudbreak, the "Optionor"), whereby BCCo has the option (the "Option") to earn a 75% interest in certain mineral claims in the Province of British Columbia (the "Property" or the "Atlin West Project").

As consideration for the Transaction, the Company will: (i) issue an aggregate of 24,000,000 common shares in the capital of the Company (the "Common Shares"), at a price of $0.05 per Common Share to the Vendors; (ii) make a refundable cash payment in the amount of $50,000 to BCCo upon signing of the LOI, to be released upon signing of a definitive agreement (which the Company has completed), and (iii) a cash payment in the amount of $50,000 to BCCo, or as BCCo may direct, upon closing of the Transaction.

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 cross-cut by east-west and northwest trending faults.

These structures are known to be associated with base and precious metals in the region, specifically t the Engineer or Yellowjacket mines. Mineralization on the property includes the Dundee/Table Mountain showing (BC MINFILE 104N 003), which is comprised of northeast trending veins with galena and chalcopyrite, assaying up to 2.58 ounces per ton of silver, 26% lead and 13.9% copper in 1967. Limited work has been reported on the property and additional exposures are unexplored as 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 analogues which are in close proximity to the Property as detailed below. Note that mineralization hosted on adjacent and nearby properties is not necessarily indicative of mineralization hosted on the Company's properties.

The Engineer Mine (BC MINFILE 104M 014) was in production in the 1920's and 1930's 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, NI 43-101 Report, Engineer Gold Mine, January 18, 2018, for Engineer Gold Mines Ltd.).

At the Yellowjacket Mine, an historical estimate was calculated in 2011 stating 133,000 ton at 5.8 grams per ton of gold, totaling 24,000 ounces of gold at a 1.5 gram per ton of gold cut-off (Price, B.J. and Downie, C., 2011; Technical Report on the Yellowjacket Gold Project; 43-101 Report). This estimate was considered an inferred resource as per CIM 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 (BC MINFILE 082ESE113) is a quartz vein system that underwent limited and intermittent production during the early 1900's 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 kilograms per ton copper.

The Option Agreement

Under the terms of the Option Agreement, BCCo may exercise the Option to acquire a 75% interest in the Property upon payment of an aggregate of $325,000 in cash payments (the "Option Payments") and incurring an aggregate of $700,000 in expenditures (the "Expenditures") on the Property as follows:

- a $50,000 Option Payment on October 8, 2021 (the "Effective Date");
- 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;
- incurring $150,000 in Expenditures on or before the first anniversary of the Effective Date;
- a $75,000 Option Payment on or before the second anniversary of the Effective Date and incurring an additional $200,000 in Expenditures or before the second anniversary of the Effective Date; and
- a $150,000 Option Payment on or before the third anniversary of the Effective Date and incurring an additional $350,000 in Expenditures or before the third anniversary of the Effective Date.

BCCo confirms that the initial payment of $50,000 has been made in accordance with the Option Agreement. In addition, the Optionor was issued an aggregate of 3,000,000 common shares in the capital of BCCo on the Effective Date.

The completion of the Transaction contemplated by the Share Purchase Agreement remains subject to the Company and BCCo entering into a definitive agreement and the approval of all regulatory and other approvals, including the approval of the TSX Venture Exchange.

Qualified Person

Kelly Malcolm, P.Geo., an Independent Qualified Person ("QP") as such term is defined by National Instrument 43-101 - Standards of Disclosure for Mineral Projects, has reviewed and approved the geological information reported in this news release. The QP has not completed sufficient work to verify the historic information on the Property, particularly with regards to historical sampling and regional government-mapped geology. However, the QP assumes that sampling and analytical results were completed to industry standard practices. The information provides an indication of the exploration potential of the Property but may not be representative of expected results.

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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.

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