



## POWER GROUP ANNOUNCES LOI WITH 1311516 B.C. LTD.

### NOT FOR DISSEMINATION OR DISTRIBUTION IN THE UNITED STATES OF AMERICA

**April 25, 2022 – Vancouver, BC - Power Group Projects Corp. (TSXV: PGP)** (the “**Company**”) is pleased to announce that it has entered into an arm’s length non-binding letter of intent (the “**LOI**”) dated April 25, 2022 with 1311516 B.C. Ltd. (“**BCCo**”) 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 assets are option agreements dated February 25, 2022 and March 3, 2022 with Cloudbreak Discovery PLC (“**Cloudbreak**”) and Cloudbreak Discovery (Canada) Ltd. (together with Cloudbreak, the “**Optionor**”), whereby BCCo has the option (the “**Option**”) to acquire a 75% interest in certain mineral claims in the Province of British Columbia (the “**Rizz Project**” and the “**Icefall Project**”).

As consideration for the Transaction, the Company will: (i) issue an aggregate of 46,200,000 common shares in the capital of the Company (the “**Common Shares**”), at a price of \$0.03 per Common Share to the shareholders of BCCo. Upon closing of the proposed transaction, BCCo would become a wholly owned subsidiary of the Company and the Company would assume all obligations owing in connection with the Rizz Project and the Icefall Project.

The Rizz Project covers 5,415 hectares of mineral titles in northwestern BC, situated in the Boundary Ranges Metamorphic Suite and Sloko Group plutonic and volcanic rocks west of the Llewellyn fault. Mineralization is documented in the Sloko-Hyder plutonic suite with several gossanous zones identified for immediate follow up. The known mineralization is described as sulphide-rich felsite boulders and talus in one of the cirques on the property. Assay results from historic samples of this mineralization include up to 27.6 grams per tonne (“g/t”) gold, 562.9 g/t silver, 8.25% lead and 15.9% zinc. Follow-up work will include exploring for the source of this strongly mineralized float material.

The Icefall Project is underlain by Stuhini and Labarge Group volcanic and sedimentary rocks and is continuous along strike from Brixton Metals Corp’s Thorn Gold-Copper-Silver Project to the southeast. Granitic intrusions have been mapped on the northern and southern bounds of the claim block, which covers 8,704 hectares. The property is bounded between the Llewellyn fault to the west and King Salmon fault to the east, with several north-trending structures noted on the property. The geology is favourable to host mineralization comparable to several Minfile occurrences noted immediately west of the claim boundary, which include historic grab sample results of up to 35.5 grams per tonne silver and 0.5% copper. Although there are no Minfile occurrences on the Icefall Property, the favourable geology and mineralized trends are the basis of the exploration thesis in this under-explored region of the province.

### **The Rizz Option Agreement**

Under the terms of the Rizz Option Agreement, BCCo may exercise the Rizz Option to acquire a 75% interest in the Rizz Project upon payment of an aggregate of \$120,000 in cash payments (the “**Rizz Option Payments**”) and incurring an aggregate of \$750,000 in expenditures (the “**Rizz Expenditures**”) on the Rizz Project as follows:

- a \$25,000 Rizz Option Payment on February 25, 2022 (the “**Effective Date**”);

- a \$25,000 Rizz 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 \$50,000 in Rizz Expenditures on or before the first anniversary of the Effective Date;
- a \$50,000 Rizz Option Payment on or before the second anniversary of the Effective Date and incurring an additional \$200,000 in Rizz Expenditures or before the second anniversary of the Effective Date; and
- incurring an additional \$500,000 in Rizz Expenditures or before the third anniversary of the Effective Date.

BCCo confirms that the initial payment of \$25,000 has been made in accordance with the Rizz Option Agreement. In addition, the Optionor was issued 3,000,000 common shares in the capital of BCCo on the Effective Date.

### **The Icefall Option Agreement**

Under the terms of the Icefall Option Agreement, BCCo may exercise the Icefall Option to acquire a 75% interest in the Icefall Project upon payment of an aggregate of \$120,000 in cash payments (the “**Icefall Option Payments**”) and incurring an aggregate of \$700,000 in expenditures (the “**Icefall Expenditures**”) on the Icefall Project as follows:

- a \$25,000 Icefall Option Payment on March 3, 2022 (the “**Effective Date**”);
- a \$25,000 Icefall 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;
- a \$20,000 Icefall Option Payment on or before the first anniversary of the Effective Date and incurring \$50,000 in Icefall Expenditures on or before the first anniversary of the Effective Date;
- a \$50,000 Icefall Option Payment on or before the second anniversary of the Effective Date and incurring an additional \$150,000 in Icefall Expenditures or before the second anniversary of the Effective Date; and
- incurring an additional \$500,000 in Icefall Expenditures or before the third anniversary of the Effective Date.

BCCo confirms that the initial payment of \$25,000 has been made in accordance with the Icefall Option Agreement. In addition, the Optionor was issued 2,000,000 common shares in the capital of BCCo on the Effective Date.

Below is a summary of financial information of BCCo based on a balance sheet as at March 31, 2022:

<b>Financial period</b>	<b>Assets</b>	<b>Liabilities</b>	<b>Revenues</b>	<b>Net Gains</b>
March 31, 2022	67,261	Nil	Nil	(158)

The completion of the Transaction contemplated by the LOI 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

Cam Bartsch, P.Geo., Technical Advisor to the Company and a Qualified Person (“QP”) as defined by National Instrument 43-101 - *Standards of Disclosure for Mineral Projects*, has reviewed and approved the scientific and technical information reported in this news release.

### **For further information, please contact:**

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### ***Cautionary Statement on Forward-Looking Information***

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

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