# POWER METALS CORP.
# FORM 51-102F1
# MANAGEMENT DISCUSSION AND ANALYSIS
# YEAR ENDED NOVEMBER 30, 2017

This management discussion and analysis of financial position and results of operations ("MD&A") is prepared as of April 2, 2018 and should be read in conjunction with the audited financial statements for the year ended November 30, 2017 of Power Metals Corp. ("Power Metals" or the "Company") with the related notes thereto. All dollar amounts included therein and in the following MD&A are expressed in Canadian dollars except where noted. Readers may also want to refer to the November 30, 2016 audited financial statements and the accompanying notes.

## Forward looking statements

Certain statements contained in this document constitute forward-looking information. These statements relate to future events or future performance. The use of any of the words "could", "intend", "expect", "believe", "will", "projected", "estimated" and similar expressions and statements relating to matters that are not historical facts are intended to identify forward-looking information and are based on the Company's current belief or assumptions as to the outcome and timing of such future events. Actual future results may differ materially.

Additional information related to the Company is available for view on SEDAR at www.sedar.com.

## Description of Business

The Company is an exploration company engaged in the acquisition and exploration of resource properties. The Company is a reporting issuer in British Columbia, Alberta and Ontario. The Company trades on the TSX Venture Exchange under the symbol "PWM".

## Risks and Uncertainties

The Company's principal activity is resource exploration and development. Companies in this industry are subject to many and varied kinds of risks, including but not limited to, environmental, fluctuating resource price, social, political, financial and economical. Additionally, few exploration projects successfully achieve development due to factors that cannot be predicted or foreseen. While risk management cannot eliminate the impact of all potential risks, the Company strives to manage such risks to the extent possible and practicable.

The risks and uncertainties described in this section are considered by management to be the most important in the context of the Company's business. The risks and uncertainties below are not listed in order of importance nor are they inclusive of all the risks and uncertainties the Company may be subject to as other risks may apply.

- Any resource property interests of the Company are or will be, in the near term, in the exploration stage only and consequently, exploration of the Company's resource property interests may not result in any discoveries of commercial levels of resources. If the Company's efforts do not result in any discovery of commercial resource level, the Company will be forced to look for other exploration projects or cease operations.

- The Company's current assets and activities are subject to extensive Canadian federal, provincial, territorial and local laws and regulations. The costs associated with compliance with these laws and regulations are substantial and possible future laws and regulations, changes to existing laws and regulations or more stringent enforcement of current laws and regulations by governmental authorities, could cause additional expenses, capital expenditures, restrictions on or suspensions of the Company's operations and delays in the development of its properties.

- In the ordinary course of business, the Company is required to obtain and renew governmental permits for existing operations and any ultimate development, construction and commencement of new resource or mining operations. The Company may not be able to obtain or renew permits that are necessary to its operations, or the cost to obtain or renew permits may exceed what the Company believes it can recover from a given resource property once in production. Any unexpected delays or costs associated with the

permitting process could delay the development or impede the operation of a resource or mine, which could adversely impact the Company's operations and profitability.

- The Company competes with many companies possessing greater financial resources and technical abilities than itself for the acquisition of resource properties including mineral concessions, claims, leases, other mineral interests, and equipment required to conduct its activities as well as for the recruitment and retention of qualified employees.

- Substantial expenditures are required to be made by the Company to establish mineral reserves and the Company may not either discover minerals in sufficient quantities or grade to be economically feasible, or may not have the necessary required funds. Estimates of mineral reserves and mineral resources can also be affected by environmental factors, unforeseen technical difficulties and unusual or unexpected geological formations. Material changes in mineral reserve or mineral resource estimates, grades, stripping ratio or recovery rates may affect the economic viability of any project.

- The lack of available infrastructure may adversely affect the Company's operations and profitability. If adequate infrastructure is not available in a timely manner, there can be no assurance that the development of the Company's projects will be commenced or completed on a timely basis, if at all; the Company's operations will achieve anticipated results; or the construction costs and ongoing operating costs associated with the development of the Company's advanced stage exploration projects will not be higher than anticipated. In addition, unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Company's operations and profitability.

- The Company currently has limited insurance covering its assets or operations and as a consequence, could incur considerable costs. As a result of having limited insurance, the Company could incur significant costs that could have a materially adverse effect upon its financial condition and even cause the Company to cease operations. To date, the Company has not experienced any material losses due to hazards arising from its operations.

- Although the Company has sought and received such representations as it has been able to achieve from vendors in connection with the acquisition of or options to acquire an interest in its mining or resource properties and has conducted limited investigations of legal title to each such property, the resource and /or mining properties in which the Company has an interest may be subject to prior unregistered agreements or transfers or native land claims and title may be affected by undetected defects.

- The price of uranium or other metals may adversely affect the economic viability of any of the Company's resource and/or mineral properties. The price of uranium is affected by numerous factors beyond the control of the Company including producer hedging activities, the relative exchange rate of the U.S. dollar with other major currencies, demand, political and economic conditions and production levels. In addition, the price of uranium has been volatile over short periods of time due to speculative activities. The price of other metals and mineral products that the Company may explore for have the same or similar price risk factors.

- The Company is authorized to issue an unlimited number of common shares without par value. It is the Company's intention to issue more common shares. Sales of substantial amounts of common shares (including shares issuable upon the exercise of stock options and the exercise of warrants), or the perception that such sales could occur, could materially adversely affect prevailing market prices for the common shares and the ability of the Company to raise equity capital in the future.

- The Company's future performance on the development of any mineral properties is dependent on key personnel. The loss of the services of any of the Company's executives or directors could have a material adverse effect on the Company's business.

## Exploration Projects

### *Case Lake*

On September 21, 2016, the Company entered into an option agreement to earn a 100% interest in the 2,500-acre Case Lake project, which is located 130km NE of Timmins, a major mining town in northern Ontario, as well as 80km east of Cochrane, and adjacent to Batholithic & Sub-province Boundaries.

To earn 100% interest, the Company needs to make cash payments of $325,000 ($270,000 paid), and spend $200,000 on exploration and development over 36 months, and issuing 11,000,000 shares of the Company (issued and valued at $990,000). The property is subject to a 2% NSR. The Company also issued 913,235 common shares valued at $82,191 as finders' fees.

The Company has completed the re-sampling and re-evaluation of Case Lake Drill Core from the 2001 and 2010 drilling seasons.

A total of 7 historic drill holes totaling 508.76 m from Platinova's 2001 drill program were relogged and resampled by Caracle Creek Jan. 19-23, 2017. These holes were drilled on 5 sections across Main and North Case Pegmatite Dykes on claim 1213780.

| Drill Hole | Rock Type | Dyke | Composite from (m) | Composite to (m) | Weighted average (Li2O%) | Length (m) | Including |
|---|---|---|---|---|---|---|---|
| DDH-1 | spod peg | Main Dyke | 8.00 | 14.50 | 1.43 | 6.50 | |
| DDH-1 | spod peg | Main Dyke | 10.27 | 11.45 | 2.34 | 1.18 | including |
| DDH-1 | spod peg | Main Dyke | 22.70 | 33.00 | 1.98 | 10.30 | |
| DDH-1 | spod peg | Main Dyke | 25.00 | 31.73 | 2.31 | 6.73 | including |
| DDH-2 | spod peg | Main Dyke | 38.00 | 40.55 | 1.93 | 2.55 | |
| DDH-2 | spod peg | Main Dyke | 44.00 | 47.30 | 1.20 | 3.30 | |
| DDH-2 | spod peg | Main Dyke | 49.05 | 50.00 | 0.88 | 0.95 | |
| DDH-2 | qtz-mus peg | Main Dyke | 55.90 | 57.00 | 0.73 | 1.10 | |
| DDH-4 | qtz-feld-mus peg | North Dyke | 14.80 | 15.44 | 0.67 | 0.64 | |
| DDH-4 | qtz-feld-mus peg | North Dyke | 18.00 | 19.00 | 0.55 | 1.00 | |
| DDH-4 | spod peg | Main Dyke | 41.86 | 47.00 | 1.28 | 5.14 | |
| DDH-4 | spod peg | Main Dyke | 43.32 | 45.00 | 2.56 | 1.68 | |
| DDH-5 | spod peg | Main Dyke | 44.00 | 45.95 | 2.73 | 1.95 | |
| DDH-5 | spod peg | Main Dyke | 46.57 | 56.00 | 1.37 | 9.43 | |
| DDH-5 | spod peg | Main Dyke | 46.57 | 47.40 | 2.23 | 0.83 | including |
| DDH-5 | spod peg | Main Dyke | 53.05 | 56.00 | 2.36 | 2.95 | including |
| DDH-6 | spod peg | Main Dyke | 47.00 | 47.55 | 1.57 | 0.55 | |
| DDH-6 | spod peg | peg dyke | 61.92 | 62.22 | 0.77 | 0.30 | |

The drill core was resampled so that 1 m of the Case Batholith granodiorite host rock was sampled followed by 1 m long samples of the pegmatite dyke and 1 m of the Case Batholith. The sampling followed lithology boundaries so that only one lithology unit is within a sample. The core was cut in half to produce the samples. If whole core was in the box (3 samples), then 1/2 core sample was cut to put in the sample bag and the remaining half was left in the core box. If 1/2 was in the core box (86 samples), then 1/4 core sample was cut to put in the sample bag and the remaining half was left in the core box. If 1/4 core was in the core box (144 samples), then the entire 1/4 core was put in the sample bag and nothing is left in the core box. The coarse grain size of the spodumene means that 1/8 core would not be representative. In four intervals in the pegmatite, core was missing from the box and could not be resampled. Missing core resulted in short intervals for some of the samples in the relogging program.

The drill core was originally sampled by Platinova in 2001, but it was resampled by Fieldex Exploration Inc in 2010 (Fieldex press release dated Sept. 13, 2010). Platinova's original sampling left 1/2 core in the box and Fieldex's resampling left 1/4 core in the box. Fieldex had an option on the property from Mantis Mineral Corp. Fieldex disclosed the assay highlights of their sampling program.

A total of 258 core samples including QC samples were submitted to Actlabs for analysis by Caracle Creek which includes 233 drill core samples, 13 blanks and 12 Li standards.

On April 24, 2017, the Company announced the upcoming drill and work programs.

Case Lake spodumene pegmatite swarm is located 80 km east of Cochrane, northeastern Ontario. Case pegmatite swarm consists of five dykes exposed on surface: North, Main, South, East and Northeast Dyke. North, Main and Northeast Dykes contain spodumene. North Dyke is has > 100 m strike length, Main Dyke has > 350 m strike length and the Northeast Dyke has > 75 m strike length.

Power Metals summer 2017 exploration program on the Case Lake Property consisted of 5400 m of drilling of approximately 50 drill holes. The drilling targeted the North and Main Dykes to define the pegmatite and lithium mineralization and to extend the dykes to the east and west along strike and down dip (Figure 1). There is 100 m of surface exposed strike length for the Main Dyke that has not yet been drill tested. The Company will also test the possibility that the Main Dyke is actually two parallel pegmatite dykes not just one dyke. Since the pegmatite dykes within the Case Lake pegmatite swarm are parallel to each other, there is potential to find additional buried dykes at depth.

Power Metals has an Exploration Plan on Case Lake Property approved by MNDM and has submitted an Exploration Permit application with MNDM for the Case Lake drill program.

In addition to the exploration targets of extension of the North and Main Dykes, there are other exploration targets to be investigated on the Case Lake Property (Figure 1):
• The fault offset dyke target is a 1 km long target which is assumed to be the down faulted continuation of the North and Main spodumene dykes. The East Dyke is the down faulted continuation of the South Dyke.
• The Far East Dyke is an underexplored pegmatite outcrop which is along the same strike as the North and Main Dykes.
• The Metasedimentary host rock Li anomaly target along strike to the east of North and Main Dykes
• Northeast Dyke with historical assay of > 2.15 % Li2O

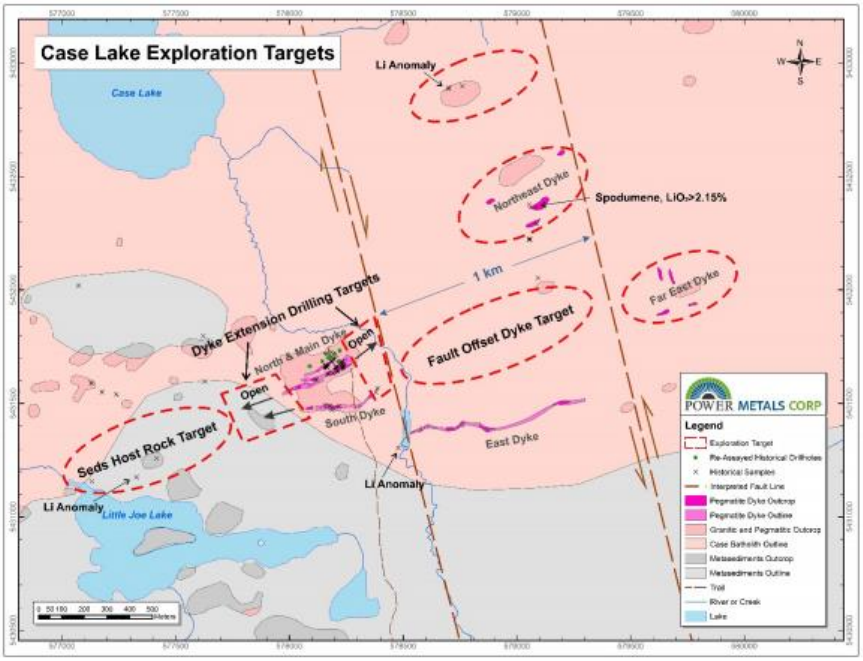



*Figure 1 Case Lake Exploration Targets*

On May 11, 2017, the Company announced the completion of a 3D exploration model for the Company's 100% owned Case Lake Property. The 3D model will aid Power Metals in targeting drill holes as well as aid in our understanding of the morphology of the pegmatite dykes. This will assist in understanding the known mineralization and aid in its expansion.

The Case Lake spodumene pegmatite swarm is located 80 km east of Cochrane, northeastern Ontario. Case Lake pegmatite swarm consists of five dykes exposed on surface: North, Main, South, East and Northeast Dyke. North, Main and Northeast Dykes contain spodumene. North Dyke is has greater than 100 m strike length, Main Dyke has greater than 350 m strike length and the Northeast Dyke has greater than 75 m strike length.

A 3D exploration model has been created for Case Lake pegmatite swarm based on 7 historic drill holes, channel sampling, detailed mapping and general mapping. The fault planes were identified from geophysics maps and satellite images. The pegmatite dykes are modelled to a depth of 100 m.

One purpose of the 3D model is to understand the morphology of the pegmatite dykes (Figure 1). The 3D model indicates that the North and Main Dykes have a strike of 60 degrees NE and a dip of 33-43 degrees N. South and East Dykes have a strike of 80-90 degrees E-W. The fault plan has a strike of 347 degrees NW.

Another purpose of the 3D model is drill targeting and predicting the extension of the spodumene pegmatite dykes. Power Metals summer 2017 drill program will consist of approx. 5000 m of drilling of approximately 50 drill holes. 3D modelling suggests that the Main Dyke is actually two parallel dykes not just one dyke. This will be tested during Power Metals' drill program, in addition to drilling the portion of the Main Dyke that has been exposed on surface but not yet drilled. The drilling will also target the extension of North, Main and South Dykes to the east and to the west with a goal to extend the Main Dyke from 350 m to 780 m long.

The extension of the spodumene North and Main Dykes has been faulted down and thus the offset dyke is an 800 m long exploration target (Figure 2). Both the Northeast and Far East Dykes need trenching and geological mapping to fully expose their strike lengths on surface. {00738189;1} Additionally, an initial bulk sample of lithium rock is being collected and forwarded to Thibault and Associates Inc. in Fredericton, News Brunswick (See press release dated April 10th, 2017). This sample will be used to evaluate technology that would best process the feed stock to meet end user requirements. This initial sample will be supplemented with core samples from the upcoming drill program on the property.

Johnathan More, Chairman of Power Metals states "This 3D model of Case Lake is a huge step in the planning of the upcoming drill program not only in terms of drill locations but also in realizing the potential size of this exciting structure. Additionally, we will be providing an update on our Petro-Lithium assets associated with our technology process in the very near future. Furthermore, we are running at full steam ahead on all of our projects while we wait for the recently filed share spin-out."

To view Figure 1: '3D model of Case Lake North, Main and South Dykes and exploration targets, looking north,' please visit the following link: http://media3.marketwire.com/docs/1094352fig1.pdf

To view Figure 2: '3D model of Case Lake pegmatite exploration targets, looking north,' please visit the following link: http://media3.marketwire.com/docs/1094352fig2.pdf

On June 7, 2017, the Company increased the size of its previously announced drill program at Case Lake (see press release dated April 24th, 2017). A recent site visit and encouraging data assessment has immediately prompted the Company to expand its program from its previously stated 5,000 meters to greater than 7,500 meters.

The drilling will target the North and Main Dykes to define the pegmatite and lithium mineralization and to extend the dykes to the east and west along strike and down dip. There is 100 meters of surface exposed strike length for the Main Dyke that has not yet been drill tested. The Company believes that the Main Dyke is actually two parallel pegmatite dykes not just one dyke. Since the pegmatite dykes within the Case Lake pegmatite swarm are parallel to each other, there is potential to find additional buried dykes at depth. Power Metals has an Exploration Plan on Case Lake Property approved by MNDM and has submitted an Exploration Permit application with MNDM for the Case Lake drill program.

In addition to the exploration targets of extension of the North and Main Dykes, there are other exploration targets to be investigated on the Case Lake Property (Figure 1):

- The fault offset dyke target is a 1 km long target which is assumed to be the down faulted continuation of the North and Main spodumene dykes. The East Dyke is the down faulted continuation of the South Dyke.
- The Far East Dyke is an underexplored pegmatite outcrop which is along the same strike as the North and Main Dykes.
- The Metasedimentary host rock Li anomaly target along strike to the east of North and Main Dykes
- Northeast Dyke with historical assay of > 2.15 % Li2O

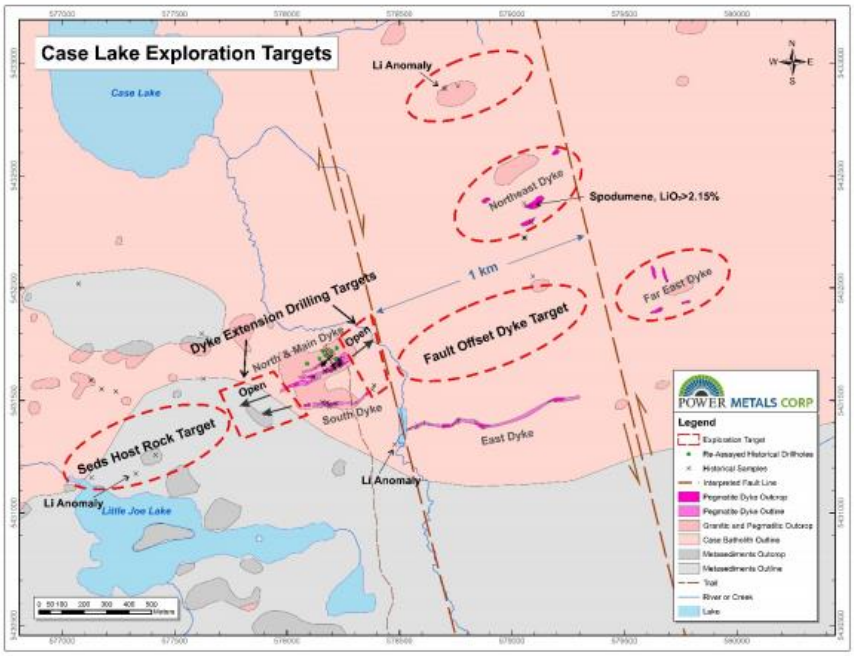



*Figure 1 Case Lake Exploration Targets*

On July 18, 2017, the Company filed a NI 43-101 Technical Report on its 100% owned Case Lake Property. The Case Lake Property is located in Steele and Case townships, near Cochrane, NE Ontario close to the Ontario-Quebec border.

The NI 43-101 Technical Report on the Case Lake Property summarizes the historic exploration on the Property starting with the mapping of the North, Main and South pegmatite dykes in 1962 by S.B. Lumbers, Ontario Department of Mines. This mapping was followed by the first drill hole on the Property by L. Darby in 1973 which intersected 25.3 m of spodumene-bearing pegmatite in the Main Dyke. Regional prospecting by Joseph Horne in 1999, lead to the discovery of the Northeast dyke which is 10 m wide by 75 m long with very coarse-grained spodumene. In 2001, Platinova A/S completed detailed geological mapping and channel sampling on the North, Main and South Dykes, and 7 drill holes totaling 508.76 m. These drill holes intersected spodumene mineralization in the North and Main Dykes. Assay highlights from DDH-2 include: from 39.0 to 40.0 m, interval 1.0 m with 1.52 % Li2O, 62 ppm Ta, > 100 ppm Be from the inner intermediate zone.

The NI 43-101 Technical Report also summarizes Power Metals' exploration activities on the Property including resampling and relogging of Platinova's 7 drill holes which successfully identified and verified lithium mineralization in Platinova's historic drill core. The assays from the resampling program were combined with the historic drill core logs to create a 3D model of the Case Lake pegmatite dykes. The 3D model was used to identify drill targets for Power Metals' upcoming 6000 m drill program which includes:

- 4000 m of resource drilling at 30 m spacing and depths of 100-150 m on the Main and North Dykes surface exposure (approximately 26 holes) to aid in future resource estimate.
- 2000 m of expansion drilling at depths of 100-150 m to extend the Main and North Dykes along strike to the east and west (approximately 15 holes).

Power Metals' exploration team also proposed and supervised the staking of 22 mining claims (4800 ha) and completed a 2D data compilation on the Property. This data compilation lead to the identification of multiple exploration targets:

- The fault offset dyke target is a 1 km long target which is assumed to be the down faulted continuation of the North and Main spodumene dykes. The East Dyke is the down faulted continuation of the South Dyke.
- The Far East Dyke is an underexplored pegmatite outcrop which is along the same strike as the North and Main Dykes.
- The metasedimentary host rock Li anomaly target is also along strike of the North and Main Dykes
- Northeast spodumene pegmatite dyke with historical assay of > 2.15 % Li2O.

***On August 17, 2017,*** the Company announced that drilling has commenced at its Case Lake Property, near Cochrane Ontario. Power Metals has an 80% interest with its 20% working interest partner MGX Minerals Corp. (CSE:XMG). The 5000 m drill program was contracted to Jacob & Samuel Drilling Ltd., Sudbury, Ontario. The drill core will be logged on site and accommodations have been secured at a local Outfitters lodge. Power Metals has an Exploration Permit from Ministry of Northern Development and Mines (MNDM) which is valid for 3 years.

The 3D model of the Case Lake pegmatite dykes was used to identify drill targets for the upcoming 5000 m drill program which includes:

- 4000 m of resource drilling at 30 m spacing and depths of 100-150 m on the spodumene Main and North Dykes surface exposure (approximately 26 holes) to aid in future resource estimate.
- 1000 m of expansion drilling at depths of 100-150 m to extend the Main and North Dykes along strike to the east and west (approximately 10 holes).

Power Metals is confident that Phase 1 drill program will successfully identify lithium mineralization at depth. Assay highlights from Platinova's 2001 drill program include: DDH-2 from 39.0 to 40.0 m, interval 1.0 m, with 1.52 % Li2O, 62 ppm Ta, > 100 ppm Be from the inner intermediate zone. There is 100 m of surface exposed strike length with lithium mineralization for the Main Dyke that has not yet been drill tested. Both Main and North Dykes are open along strike and down dip. Power Metals will also test the possibility that the Main Dyke is actually two parallel pegmatite dykes not just one dyke. Since the pegmatite dykes within the Case Lake pegmatite swarm are parallel to each other, there is potential to find additional buried dykes at depth.

Phase 2 drill program, in the future, will target:

- Continued extension of the Main and North Dykes.
- Exploration drilling of Offset Dyke and Northeast Dyke

The fault Offset Dyke target is a 1 km long target which is assumed to be the down faulted continuation of the North and Main spodumene dykes. Northeast spodumene pegmatite dyke has an historical assay of > 2.15 % Li2O.

Johnathan More at Power Metals states "When we acquired Case Lake we were excited by its demonstrated history of strong results through the drill-bit, as well as its district scale potential, and similarities to projects across the border in Quebec most notably Nemaska's Whabouchi project. Since then, and in preparation for this 5,000 metre program, we have compiled significant regional data, multiplied our land position over anomalous areas and created a comprehensive 3-D model. We are now readying to have our team of pegmatite experts drill on key targets and are eager to explore and develop the Case Lake asset."

On September 21, 2017, the Company announced that ongoing drilling has successfully intersected significant lithium mineralization at the Company's Case Lake Property. Power Metals has an 80% interest with its 20%

working interest partner MGX Minerals Corp. (CSE:XMG). The Case Lake drill target area consists of a pegmatite dyke swarm: North, Main and South Dykes as well as multiple unnamed pegmatite dykes. Drill hole PWM-17-08 intersected 35.22 m of continuous spodumene pegmatite as part of the Main Dyke with very coarse-grained spodumene crystals up to 10 cm long. A total of 12 drill holes have been drilled to date. With the exception of hole 3, all drill holes intersected spodumene bearing pegmatite (Table 1, Figure 7). Assays are pending. The drill program targeted downdip extension of North, Main and South Dykes in an area of known mineralization and the east and west along strike extension of the three Dykes in areas with no previous drill holes. This drill program has also successfully drilled the first ever holes on the South Dyke.

Johnathan More, Chairman of Power Metals stated, "We couldn't be more pleased with our progress on the drill program to date and eagerly await assay results to confirm our interpretation of the potential tonnage and grade at Case Lake. With our drill program set for a minimum of 5,000 metres, we expect the balance of the drill program to be completed by the end of October, at which point we will quickly aim to deliver a 43-101 compliant resource calculation to the market."

Preliminary highlights include:

Drill holes PWM-17-08, 09 and 10 are the best drill holes of the program so far (Table 2). These holes were designed to test the up and down dip extension of the Main Dyke.

- PWM-17-08 intersected continuous spodumene pegmatite from 18.86 to 54.08 m for an interval of 35.22 m of the Main Dyke (Figures 1 and 2).
- PWM-17-09 intersected continuous spodumene pegmatite from 26.5 to 60.0 m for an interval of 33.5 m of the Main Dyke. This intersection included a 42 cm long x 2 cm wide pale green spodumene blade (Figures 3 to 6).
- PWM-17-10 intersected spodumene pegmatite from 33.83 to 62.05 m for an interval of 28.22 m of Main Dyke. This interval includes two sections of Case Batholith host rock: 2.99 m and 0.62 m long.

Drill holes PWM-17-01, 02 and 03 successfully intersected the Main and South Dykes as part of the western extension of the strike length of both Dykes.

- These holes extended the Main Dyke Zone lithium mineralization 152 m to the west from historic drilling. These were the first holes ever drilled on the South Dyke and were designed to test for lithium mineralization at depth. Assays are pending.
- Pegmatite dykes were intersected within a few meters of our predicted intersections based on our 3D model which gave us confidence in the 3D model.
- The Main Dyke Zone in PWM-17-02 was intersected from 53.10 to 88.84 m for an interval of 35.74 m. The Zone consisted of a 10.4 m long spodumene pegmatite dyke with up to 25 vol% very coarse-grained spodumene, a 2.99 m long aplite dyke, and multiple other thin aplite dykes. Assays are pending. (Visual estimates of spodumene vol% do not always equate to Li2O % grade.)

Drill holes PWM-17-04 and 05 were designed to test the downdip extension of North and Main Dykes downdip of historic hole DDH-5.

- • Drill hole PWM-17-04 intersected 1.7 m of North Dyke. The Main Dyke Zone was intersected from 75.2 to 107.55 m for an interval of 32.35 m. The Main Dyke Zone consisted of 3 spodumene-bearing dykes up to 12.8 m long, one pegmatite dyke and one aplite dyke. One dyke within of the Main Dyke Zone is a 1.85 m long spodumene dyke which contains 30-40 vol% pale green coarse-grained spodumene. Assays are pending. (Visual estimates of spodumene vol% do not always equate to Li2O % grade.)

Drill holes PWM-17-06 and 07 were designed to test the downdip extension of the Main Dyke downdip from historic hole DDH-2. Drill hole PWM-17-06 intersected 9 m of spodumene pegmatite.

Drill holes PWM-17-11 and 12 were designed to test the eastern extension of the Main Dyke along strike. These holes intersected multiple pegmatite dykes hosted by metasedimentary rocks.

*Summation of Significant intersections of spodumene pegmatite at the Main Dyke, Case Lake*

| Drill Hole | From (m) | To (m) | Interval (m) | Lithology |
|---|---|---|---|---|
| PWM-17-02 | 53.10 | 63.50 | 10.40 | spodumene pegmatite |
| PWM-17-04 | 75.20 | 88.00 | 12.80 | spodumene pegmatite |
| PWM-17-06 | 82.00 | 91.00 | 9.00 | spodumene pegmatite |
| PWM-17-08 | 18.86 | 54.08 | 35.22 | continuous spodumene pegmatite |
| PWM-17-09 | 26.50 | 60.00 | 33.50 | continuous spodumene pegmatite |
| PWM-17-10 | 33.83 | 62.05 | 28.22 | spodumene pegmatite including a total of 3.61 m of tonalite |


*Figure 1 PWM-17-08 Main Dyke spodumene pegmatite, Box 5 to 8, 18.14 to 35.44 m.*


*Figure 2 PWM-17-08 Main Dyke pegmatite, Box 9 to 12, 35.44 to 53.08 m.*

*Figure 3 PWM-17-09 Main Dyke pegmatite, Box 5 to 8, 18.28 to 36.02 m*

*Figure 2 PWM-17-08 Main Dyke pegmatite, Box 9 to 12, 35.44 to 53.08 m.*

*Figure 3 PWM-17-09 Main Dyke pegmatite, Box 5 to 8, 18.28 to 36.02 m*

*Figure 6 PWM-17-09 Main Dyke 42 cm long spodumene blade near 32 m.*

*Table 1. Power Metals 2017 Case Lake drill hole collar location. UTM NAD83, Zone 17.*

| Drill hole | Easting (m) | Northing (m) | Elevation (m) | Depth (m) | Azimuth (°) | Dip (°) |
|---|---|---|---|---|---|---|
| PWM-17-01 | 578021.1 | 5431600.4 | 346.6 | 155 | 150 | 45 |
| PWM-17-02 | 578002.1 | 5431633.2 | 346.8 | 183 | 150 | 45 |
| PWM-17-03 | 577982.4 | 5431671.5 | 343.2 | 212 | 150 | 45 |
| PWM-17-04 | 578118 | 5431734 | 347 | 140 | 150 | 45 |
| PWM-17-05 | 578117.6 | 5431735 | 347 | 138 | 150 | 70 |
| PWM-17-06 | 578167 | 5431769 | 347 | 140 | 150 | 45 |
| PWM-17-07 | 578167 | 5431769 | 347 | 133 | 150 | 68 |
| PWM-17-08 | 578208 | 5431702 | 350 | 70 | 150 | 45 |
| PWM-17-09 | 578208 | 5431702 | 350 | 75 | 150 | 82 |
| PWM-17-10 | 578152 | 5431675 | 350 | 100 | 150 | 45 |
| PWM-17-11 | 578247 | 5431750 | 349 | 90 | 150 | 45 |
| PWM-17-12 | 578254 | 5431798 | 349 | 120 | 150 | 45 |

True mineralization thickness is not yet known.

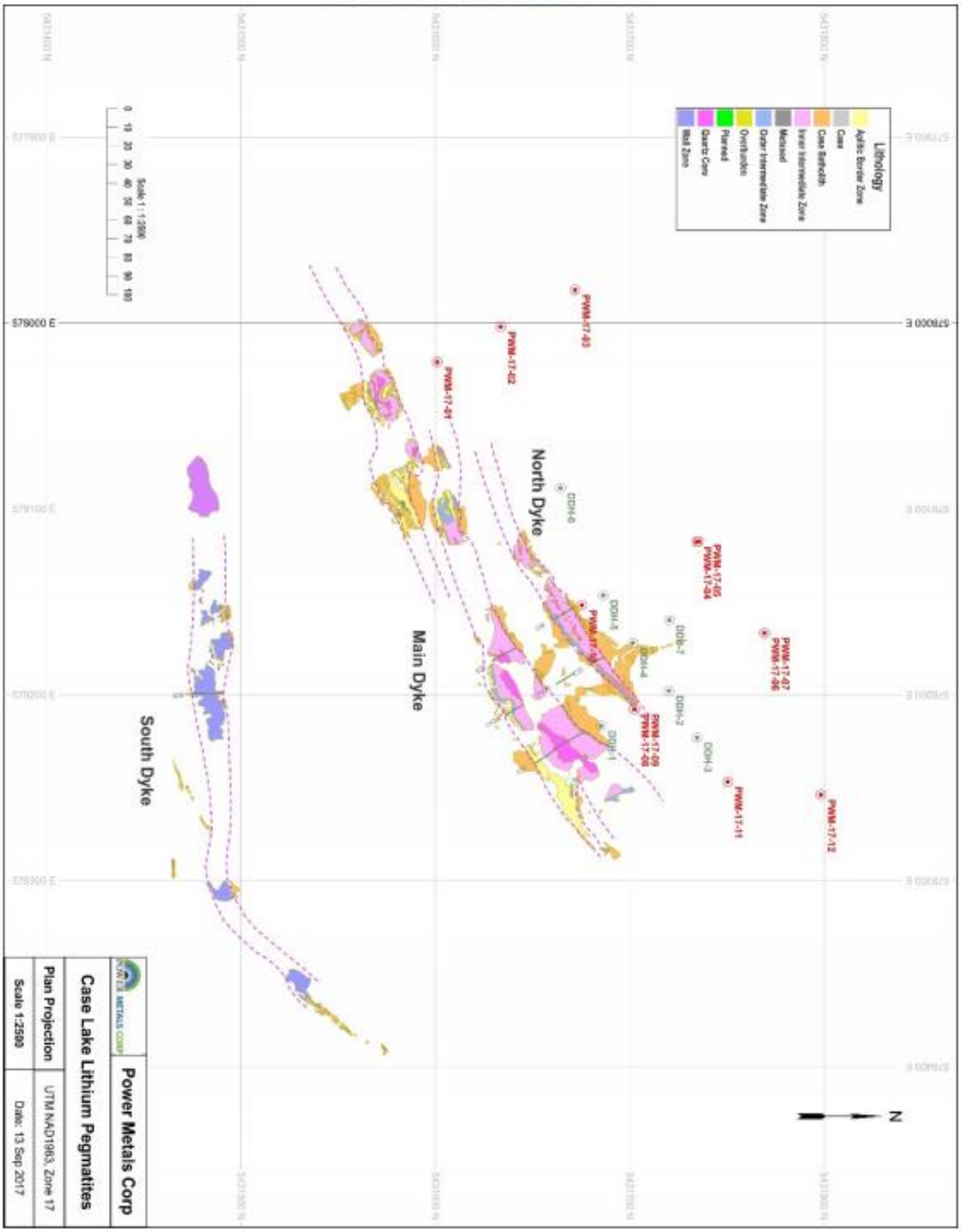



*Figure 7 Case Lake drill plan and detailed outcrop map.*

On October 10, 2017, the Company announced that prospecting has discovered spodumene in the East Dyke pegmatite on the east side of Case River, 450 m southeast from our current drill program. Power Metals has an 80% interest with its 20% working interest partner MGX Minerals Corp. (CSE:XMG). Historic work on the East Dyke suggested that spodumene was not present on this pegmatite dyke. The East Dyke has a known strike length of 750 m and consists of white K-feldspar-quartz-muscovite pegmatite and garnet aplite similar to the Main Dyke currently being drilled. This is a significant increase in the potential lithium mineralization on the Case Lake Property.

Power Metals' VP of Exploration, Dr. Julie Selway, PH.D., P.Geo. discovered the spodumene by peeling back a thick mat of moss off of the outcrop to expose outcrop not previously looked at (Figure 1). The spodumene is fine- to coarse-grained, 0.5 to 6 cm long and locally is up to 10% spodumene (Figure 2). Additional prospecting on the East Dyke will search for more spodumene.

*Figure 1 East Dyke spodumene pegmatite outcrop. Red flags mark spodumene occurrences.*

*Figure 2 Pale green spodumene crystals next to white K-feldspar in the East Dyke.*

Power Metals is actively prospecting the 9.0 x 9.5 km Case Lake Property for additional spodumene pegmatites. Prospecting on the northernmost claim next to Translimit Road, 7 km north of current drill program has identified white K-feldspar, quartz muscovite pegmatite dykes hosted by granodiorite similar to the Main Dyke. More prospecting will be done in this area in search of spodumene.

Power Metals' ongoing 5000 m drill program on the Main, North and South Dykes continues to intersect significant lithium mineralization. The current drill program has extended the Main Dyke spodumene pegmatite zone over 200 m to the west (and growing) from the historic drilling. The Main Dyke Zone is typically 32-35 m wide and consists of multiple spodumene pegmatite dykes. The Company is currently awaiting assays and will press release as soon as they are processed.

On November 16, 2017, the Company announced nearing completion of our successful 5000 metre drill program. We are currently drilling hole #44 (PWM-17-44) and have 5 more shallow holes planned for a total of 49 holes (See Figure 2 below).

The Company's recently drilled hole #40 (PWM-17-40) intersected 37.7 m of continuous pegmatite of which the spodumene zone is from 20.0 to 35.83 m (interval of 15.83 m long) with up to 30% spodumene in the quartz core (see Figure 1). Assays will be released as soon as they are available. Assays are pending for the majority of the holes, but examination of the drill core indicates that the spodumene mineralization is rich, thick and close to surface. For example, in hole #35 (PWM-17-35), the North Dyke is 6.7 m wide with 10-15% spodumene overall and the Main Dyke Zone is 29.4 m wide and is composed of multiple pegmatite dykes (Power Metals press release dated Nov. 2, 2017).

Some highlights of the drill program so far include:
• PWM-17-08: 1.94 % Li2O and 323.75 ppm Ta over 26.0 m
• PWM-17-09: 1.23 % Li2O and 148.0 ppm Ta over 16.0 m
• PWM-17-10: 1.74 % Li2O and 245.96 ppm Ta over 15.06 m
• extended the Main Dyke spodumene pegmatite zone 250 m to the west of the historic drill holes

*Figure 1 PWM-17-40 continuous pegmatite dyke from 8.23 to 45.93 m. Note the presence of high grade pale green spodumene in quartz core in boxes 5 to 8.*

Power Metals prospecting program successfully discovered spodumene mineralization in the East Dyke (press release dated Oct. 10, 2017) and Northeast Dyke (press release dated Nov. 13, 2017). Two grab samples of spodumene-muscovite-K-feldspar-quartz pegmatite from the East Dyke were analyzed with up to 2.56 % Li2O and up to 181 ppm Ta (Table 1). This preliminary prospecting and assays on the East Dyke indicate that high grade spodumene similar to that on the Main Dyke exists on the East Dyke.

*Table 1 Grab sample assays from East Dyke (NAD 83, Zone 17).*

| Waypoint | Sample No | Easting (m) | Northing (m) | $Li_2O$ (%) | Ta (ppm) |
|---|---|---|---|---|---|
| JK-17-21 | 529451 | 578595 | 5431395 | 1.03 | 181 |
| JK-17-35 | 529457 | 578593 | 5431399 | 2.56 | 41.5 |

Power Metals is planning a 2000 metre drill program on the Northeast Dyke in January 2018. The Company is also in the final steps of contracting an industry leading metallurgist experienced in working with spodumene pegmatites. Upon receipt of final assay results, an analysis of the initial characterization of the spodumene in the Main Dyke will be undertaken as well as other metallurgical testing. The Company will issue a press release once the contract has been finalized in the near future.

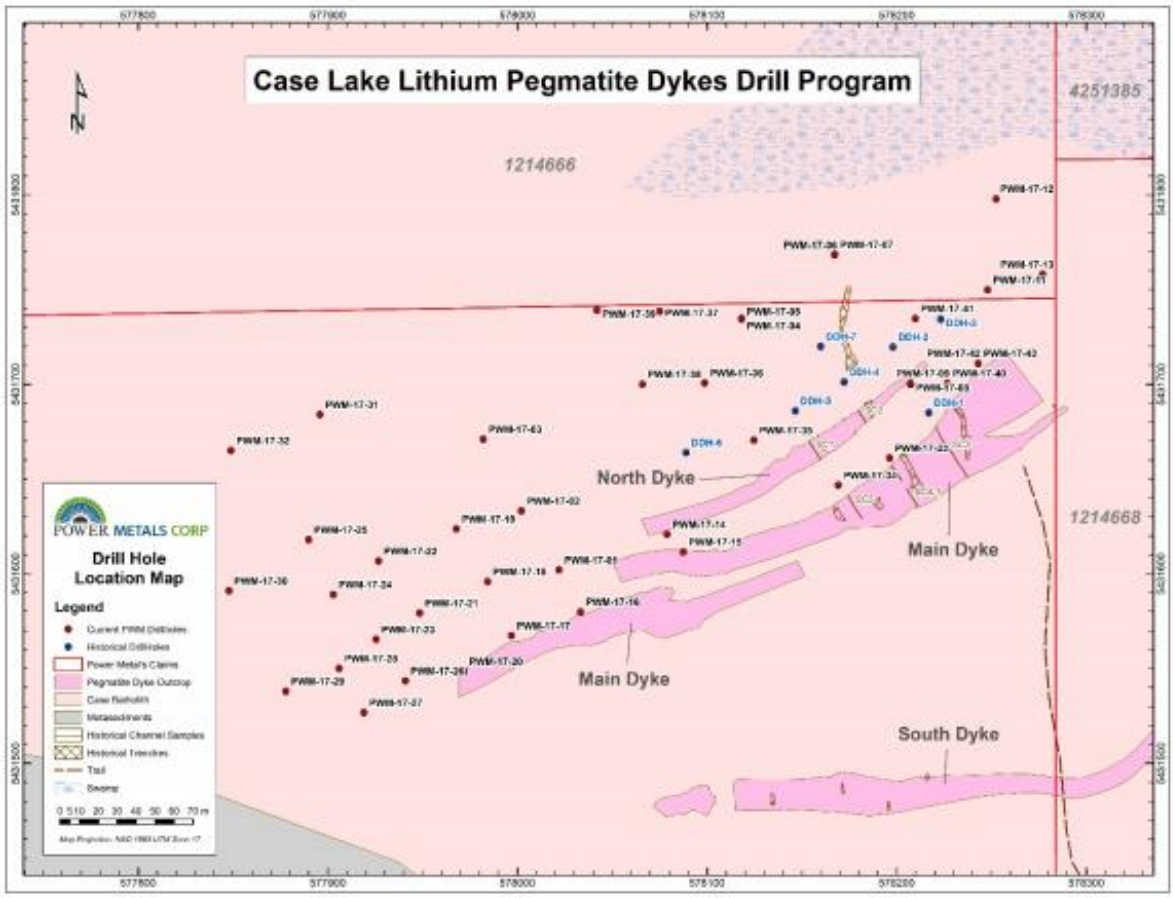



*Figure 2 Case Lake drill plan map.*

On November 24, 2017, the Company announced the completion of a successful drill program for a total of 5400.08 metres comprising of 50 drill holes at its' Case Lake Property, east of Cochrane, Ontario (Figure 3). The Company increased the overall meterage of the drill program by 400 m to target newly discovered spodumene dykes. Assays are pending.

Power Metals' exploration team discovered two new spodumene pegmatite dykes located between the Main Dyke and the South Dyke. The first new dyke was intersected in hole #42 and #43 (PWM-17-42 and PWM-17-43) with locally up to 30% spodumene. The exploration team then targeted the new dyke to intersect it again in hole #44 and

#49 (PWM-17-44 and PWM-17- 49) (Figure 1). A review of the 3D model indicates that we also intersected it at the bottom of hole #40 and #41 (PWM-17-40 and PWM-17-41). This new dyke is located 20-40 m down hole from the Main Dyke and 35-40 m vertical depth from the surface. This dyke has similar mineralogy to the Main Dyke with aplite border zone, spodumene granite and quartz + spodumene core zone. The second new spodumene pegmatite dyke was intersected in hole #42 and #49 (PWM-17-42 and PWM-17-49). It is located 50 m down hole from the Main Dyke and 50-80 m vertical depth from surface. Both new dykes are open in all directions. Drilling in the winter will be performed to define these new dykes.

The final drill hole of the program, hole #50 (PWM-17-50), was a shallow hole on the Main Dyke and it intersected 32.02 m of continuous pegmatite (11.18 to 43.2 m) (Figure 2). The pegmatite was zoned with 20-25% coarse-grained spodumene over 13.74 m followed by 3.39 m of quartz core and followed by 11.75 m of 20-25% coarse-grained spodumene.

The Main Dyke Zone is consistently 30-35 m wide and is composed of either one continuous pegmatite dyke close to surface or multiple pegmatite dykes at depth. The Main Dyke is actually two dykes along the same strike: east part and west part. The high-grade lithium zones within the Main Dyke pegmatite are the intermediate zone (muscovite-quartz-albite-K-feldspar), the fine-grained spodumene granite zone (quartz-albite-K-feldspar) and the quartz core (± Kfeldspar). The spodumene granite seems to be more common in the west part than the east part. The intermediate zone and quartz core occurs in both east and west parts.

The Company is excited to announce a 2000 m drill program on the Northeastern Dyke commencing the first week of January 2018. This drill program is fully funded and will drill the newly found structure located 900 m northeast and along strike of the recently completed drill program (See news release dated Nov. 13th, 2017). Power Metals discovered up to 40% spodumene on surface open in all directions at this new location.

*Figure 1 PWM-17-44, Boxes 12 to 17, photo of new spodumene pegmatite dyke below the Main Dyke. Note abundant pale green*

*Figure 2 PWM-17-50 Main Dyke continuous pegmatite from 11.18 to 43.2 m. Note abundance of spodumene in boxes 3 and 4 and 7 to 9. Quartz core is in boxes 5 and 6.*

***On Dceember 4, 2017, the Company announced*** assay results to confirm the presence of high-grade spodumene in the Northeast dyke at Case Lake, Cochrane, Ontario. The assay results range from 6.04% to 7.14% Li2O for rock spodumene grab samples on surface. The assays given in Table 1 represent almost pure spodumene and drilling is required to determine the lithium grade of the Northeast pegmatite dyke. The Company has planned 2,000 metre drill program that will be commencing on the Northeast dyke on January 3rd 2018.

On the south outcrop, one green spodumene crystal 32 cm long by 2 cm wide, sample number 529463 has 6.04 % Li2O (Figure 1). On the north outcrop, the quartz core of the pegmatite dyke contains up to 40% spodumene megacrysts with cross sections up to 14 cm across (Figure 2). This was sample 529461 with 6.79 % Li2O. The highest grade spodumene sample came from the western edge of the south outcrop with 7.14 % Li2O.

*Table 1 Lithium assays for spodumene grab samples from Northeast Dyke (UTM NAD 83, Zone 17)*

| Waypoint | Easting (m) | Northing (m) | Sample No. | $Li_2O$ (%) |
|---|---|---|---|---|
| JK-17-43 | 579053 | 5432292 | 529459 | 7.14 |
| JK-17-45 | 579104 | 5432372 | 529460 | 6.75 |
| JK-17-53 | 579065 | 5432293 | 529461 | 6.79 |
| JK-17-52 | 579055 | 5432295 | 529463 | 6.04 |

in a press release dated November13th, 2017, Power Metals announced that it had discovered spodumene megacrysts (up to 32 cm long) on the Northeast Dyke located 900 m northeast along strike of the current drill program on the North and Main Dykes and is within the same tonalite dome as the North and Main Dykes. Since the Northeast, North and the Main Dykes are along the same strike and within the same dome, this indicates that they were emplaced along the same deep-seated structure. The Northeast Dyke has a pair of parallel pegmatite dykes: north and south outcrops similar to the North and Main Dykes that were recently drilled.


*Figure 1 32 cm by 2 cm spodumene crystal in Northeast Dyke – south outcrop (sample 529463)*

*Figure 2 Oval cross sections of at least 8 beige spodumene megacrysts up to 14 cm across in quartz core of Northeast Dyke – south outcrop (sample 529461)*

*Figure 3 Pale green spodumene megacryst 30 cm long and 8 to 10 cm wide from Northeast Dyke – north outcrop (sample 529460)*

On January 10, 2018, the Company announced that the 2000 m drill program on the Northeast Dyke at Case Lake east of Cochrane, Ontario has commenced. Drill hole PWM-18-51, the first drill hole on the Northeast dyke and on the entire claim, is in progress and is collared 5 m north of the spodumene pegmatite outcrop. This shallow hole will drill underneath the location of the surface assay of 7.14 % Li2O (Power Metals press release dated Dec. 4, 2017).

The Northeast Dyke is located 900 m northeast along strike of the recently completed 5400 m drill program on the North and Main Dykes and is within the same tonalite dome as the North and Main Dykes. Since the Northeast, North and the Main Dykes are along the same strike and within the same dome, this indicates that they were emplaced along the same deep-seated structure. The Northeast Dyke has a pair of parallel pegmatite dykes: north and south outcrops similar to the North and Main Dykes that were recently drilled.

***On January 18, 2018,*** the Company announced drill hole assays for lithium (Li) and tantalum (Ta) mineralized intervals for the Main Dyke at Case Lake, east of Cochrane, Ontario. Significant intervals for the Main Dyke include:
• PWM-17-35: 1.17 % Li2O and 165.34 ppm Ta over 8.0 m
• PWM-17-40: 2.07 % Li2O and 213.96 ppm Ta over 18.0 m
• PWM-17-40: 2.81 % Li2O and 143.33 ppm Ta over 7.0 m

Power Metals is also pleased to announce drill hole assays for the two new spodumene pegmatite dykes that were discovered down hole of the Main Dyke near the end of the 2017 drill program (Power Metals press release dated Nov. 27, 2017). The first new dyke was intersected in PWM-17-42 and 43 and then targeted to intersect it again in PWM-17-44 and 49. This new dyke is located 20-40 m down hole from the Main Dyke and 35-40 m vertical depth from the surface. The second new dyke was intersected in PWM17-42 and 49. It is located 50 m down hole from the Main Dyke and 50-80 m vertical depth from surface. Both new dykes are open in all directions. Drilling is required to define these new dykes.

Assay highlights for the first new dyke include:
• PWM-17-42: 0.99 % Li2O and 88.33 ppm Ta over 3.0 m
• PWM-17-43: 0.85 % Li2O and 94.10 ppm Ta over 1.15 m
• PWM-17-44: 1.11 % Li2O and 73.0 ppm Ta over 6.42 m

Assays for the second new dyke contain up to 343.89 ppm Ta. More drill holes intersecting this dyke are needed for a better understanding of it.

Assay highlights for assays > 0.5 % Li2O holes PWM-17-35 to 44 are given in Table 1. Drill hole collar locations are given in Table 2.

Table 1 Assay highlights for PWM-17-35 to 44.

| Drill Hole No. | Including | From (m) | To (m) | Interval (m) | Li2O (%) weighted average | Ta (ppm) weighted average |
|---|---|---|---|---|---|---|
| PWM-17-35 | | 5.70 | 9.00 | 3.30 | 1.35 | 88.49 |
| PWM-17-35 | including | 5.70 | 7.00 | 1.30 | 2.46 | 27.70 |
| PWM-17-35 | | 31.00 | 39.00 | **8.00** | **1.17** | 165.34 |
| PWM-17-35 | including | 31.00 | 35.00 | 4.00 | 1.75 | 71.10 |
| PWM-17-35 | including | 33.00 | 34.00 | 1.00 | 2.26 | 118.00 |
| PWM-17-35 | | 42.00 | 43.00 | 1.00 | 0.63 | 34.90 |
| PWM-17-36 | | 61.00 | 64.00 | 3.00 | 1.02 | 207.33 |
| PWM-17-36 | including | 62.00 | 63.00 | 1.00 | 2.04 | **371.00** |
| PWM-17-36 | | 80.00 | 81.00 | 1.00 | 0.51 | 38.30 |
| PWM-17-37 | | 109.00 | 110.00 | 1.00 | 1.31 | 24.70 |
| PWM-17-37 | | 115.00 | 116.00 | 1.00 | 0.85 | 117.00 |
| PWM-17-38 | | 96.00 | 97.10 | 1.10 | 2.19 | 108.00 |
| PWM-17-39 | | 129.33 | 130.51 | 1.18 | 0.98 | 64.20 |
| PWM-17-40 | | 18.00 | 36.00 | **18.00** | **2.07** | 213.96 |
| PWM-17-40 | including | 20.00 | 23.00 | 3.00 | 2.43 | 323.33 |
| PWM-17-40 | including | 25.00 | 27.00 | 2.00 | 1.41 | **663.50** |
| PWM-17-40 | including | 27.00 | 34.00 | **7.00** | **2.81** | 143.33 |
| PWM-17-40 | | 67.00 | 68.00 | 1.00 | 0.76 | 30.50 |
| PWM-17-42 | | 65.00 | 68.00 | 3.00 | 0.99 | 88.33 |
| PWM-17-42 | | 90.66 | 93.00 | 2.34 | 0.04 | 343.89 |
| PWM-17-43 | | 67.65 | 68.80 | 1.15 | 0.85 | 94.10 |
| PWM-17-44 | | 9.00 | 11.00 | 2.00 | 0.60 | 38.70 |
| PWM-17-44 | | 54.58 | 61.00 | **6.42** | **1.11** | 73.00 |
| PWM-17-44 | including | 57.00 | 58.00 | 1.00 | 1.94 | 1.90 |

Drill holes intersected the pegmatite dykes at almost 90 degrees, so intervals are close to true widths.

The Company has an ongoing 2000 m drill program on the Northeast Dyke that started January 10th , 2018.

***On January 22, 2018***, the Company announced that ongoing drilling has successfully intersected significant high-grade lithium mineralization on the Northeast Dyke at the Company's Case Lake Property in Ontario. The drill program is in its early stages and the presence of up to 30% coarse grained spodumene in drill core has been found in several of the first few holes. The Company is busy logging and cutting core and the first batch of samples have recently been shipped to SGS preparation lab in Cochrane, Ontario. Due to this successful occurrence the Company has increased its current drill program from 2000m to 3000m.

***On February 22, 2018,*** The Company announced the completion of the January 2018 Northeast Dyke drill program at its Case Lake Property, Cochrane, Ontario. A total of 33 diamond drill holes comprising of 3,020 metres have now been completed. The drilling successfully intersected multiple coarse-grain pale green spodumene zones at shallow

depths and over good intervals (see Figure 1 and Figure 2). All samples have been shipped to SGS Canada Inc. in Cochrane, Ontario.

***On March 8, 2018,*** the Company that 20% working interest partner MGX Minerals Inc. (CSE:XMG) has executed a Letter of Intent (the "LOI") with **Orion Laboratories** ("Orion") of Rockford, Tennessee and **Light Metals International Inc. (**"LMI") to jointly develop and commercialize a new method of extraction of lithium compounds from spodumene (hard rock) material or concentrate.

LMI has developed a patent-pending method to rapidly manufacture lithium carbonate (Li2CO3) and/or lithium hydroxide (LiOH) from a variety of spodumene-rich (LiAlSi2O6) concentrates. The technology is modular and highly scalable, thereby enabling a small "factory footprint," and holds the potential to decrease overall hard-rock lithium production costs. Unique features of the technology include:

- Only three feedstock materials are required: (i) a spodumene concentrate, to produce high-purity Li2CO3 and/or high-purity LiOH; (ii) high-purity CO2, which is consumed in forming Li2CO3; and (iii) high-purity H2O, which is consumed in forming LiOH.
- Creates three potentially saleable high-purity products: Li2CO3 and/or LiOH, aluminum hydroxide, Al(OH)3, and amorphous silica, SiO2.
- Eliminates use of conventional sulfuric acid leaching
- Modular capabilities allow for scalable and remote deployment

Orion and LMI are led by Dr. James G. Blencoe. Mr. Blencoe has more than 40 years of experience designing, constructing, operating and maintaining specialized equipment for advanced chemical production. He is considered a foremost expert on thermophysical properties and phase relations of solids, liquids and gases. Mr. Blencoe has developed numerous techniques for the precise and accurate control and measurement of chemical composition in actively-reacting open and closed systems. Prior to entering the private sector as Founder, President and CEO of Orion Laboratories, LLC, he spent 24 years working at the renowned Oak Ridge National Laboratory in Tennessee and nine years working at Pennsylvania State University. Mr. Blencoe has published more than 50 articles and reports in leading peer-reviewed scientific journals and technical magazines. Mr. Blencoe earned a B.S. degree in Mining Engineering from the University of Wisconsin, Madison, in 1968, and a Ph.D. degree in Geology from Stanford University in 1974.

Power Metals has agreed to provide a 10-kilogram spodumene sample of mineralized material originating from the Company's Case Lake lithium project in Ontario, which will be used to perform initial bench-scale laboratory testing.

***On March 26th 2018***, the Company announced, pursuant to a press release dated March 8th, 2018, the Company is in the process of gathering and sending a 10 kg spodumene sample of mineralized material originating from the Company's Case Lake lithium project in Ontario. The Company's 20% working interest partner MGX Minerals Inc. (CSE:XMG) executed a Letter of Intent (the "LOI") with **Orion Laboratories** ("Orion") of Rockford, Tennessee and **Light Metals International Inc.** ("LMI") to jointly develop and commercialize a new method of extraction of lithium compounds from spodumene (hard rock) material or concentrate.

***On April 2nd 2018***, the Company announced that we are now working on the logistics for the 2018 drill program which will begin following the snow melt in early May. The spring drill targets are estimated to total 8,000 m and the fall drill targets may be increased up to 7,000 m for a total of 15,000 m.

The diamond drill program is fully funded and the Company has a valid MNDM exploration permit for the drilling. Power Metals is planning to meet with Aboriginal groups in the Cochrane area in April.

*Table 1 2018 Proposed Drilling at Case Lake*

| Spring Targets | Area | Meterage |
|---|---|---|
| 1 | Between Main and South Dykes | 3000 m |
| 2 | Between Main and NE Dykes | 3000 m |
| 3 | West side of Main Dyke | 2000 m |
| | **total** | **8000 m** |

| Fall Targets | Area | Meterage |
|---|---|---|
| 4 | East Dyke | 2000 m |
| 5 | Down Dip of Main Dyke | 3000 m |
| 6 | domes | TBA |

Proposed Drilling

The proposed 8,000 m drilling for the spring/early summer drill program will target the new spodumene pegmatite dykes located between the Main Dyke and the South Dyke (Target 1). These new spodumene dykes were discovered at the end of the 2017 Main Dyke drill program (Power Metals press release dated Nov. 27, 2017). One of the new dykes was intersected in drill hole PWM-17-49 with 1.61 % $Li_2O$ and 143.8 ppm Ta over 3.0 m (Power Metals press release dated Jan. 24, 2018).

The spring/early summer drill program will also target the area between the Main Dyke and the Northeast Dykes (Target 2). Coarse-grained spodumene pegmatite was intersected in the 5,400 m drill program on the Main and North Dykes and in the 3,020 m drill program on the Northeast Dyke. The Northeast Dyke is located 900 m northeast along strike of the North and Main Dykes and is within the same tonalite dome as the North and Main Dykes. Since the Northeast, North and the Main Dykes are along the same strike and within the same dome, this indicates that they were emplaced along the same deep-seated structure. The drill program between the Main and Northeast Dykes will test the presence of the spodumene mineralization along strike.

A drill program will test spodumene mineralization identified during the mapping program on granitic outcrops west of the Main Dyke (Target 3).

Additional targets will be drilled in fall 2018 including the East Dyke, down dip extension of Main Dyke and dome targets identified during the spring mapping program.

## *Larder River*

On September 21, 2016, the Company entered into an to option agreement to earn a 100% interest in the 3,200-acre Larder River project which is located three kilometers west of the village of New Ross, N.S., in the central portion of the South Mountain Batholith – 100km from Halifax, right off of the highway and proximal to port.

Pursuant to the agreement, the Company is required to complete the following:

i) payment of $1,335,000 ($100,000 paid);

ii) incurring an aggregate of $2,425,000 on exploration expenditures over 36 months; and

iii) issuance of 4,000,000 common shares of the Company (issued and valued at $360,000).

The property is subject to a 2% NSR, 1% of which can be purchased for $750,000 and 1% for $1,250,000.

The Company also issued 388,235 common shares valued at $34,941 as finder's fees.

During the year ended November 30, 2017, management decided to abandon the project; accordingly the capitalized cost of $494,941 was written off.

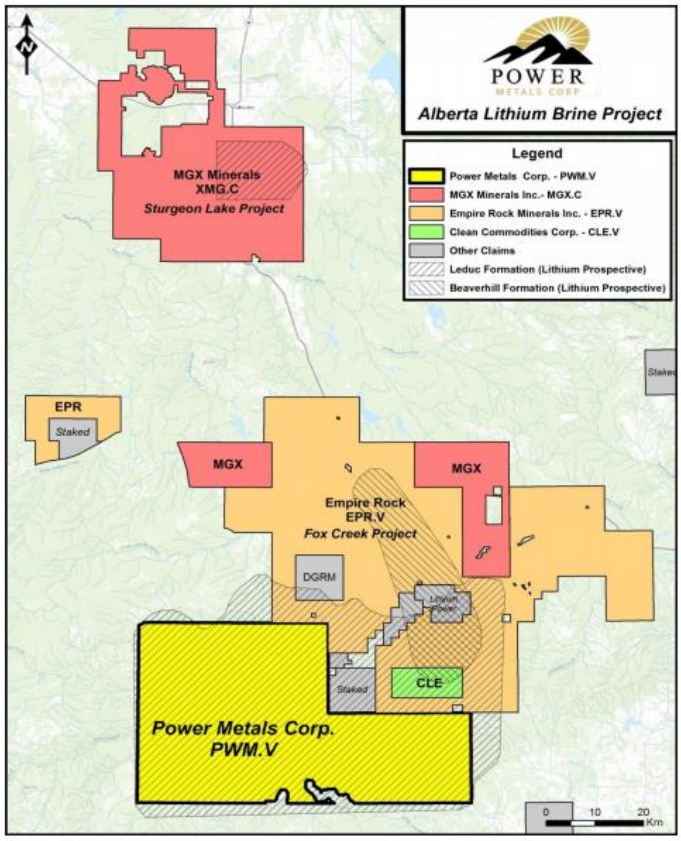
## *Leduc Lithium Property*

The Company executed an agreement to acquire lithium brine permit portfolios in Alberta, Canada. Consideration for the property includes the issuance of 5,000,000 shares (issued) of the Company to arm's length parties, includes twenty-three (23) Metallic and Industrial Minerals Permits granted by the Mines and Minerals Act (Alberta), and granting of a 2% gross overriding royalty thereon. The project is one of the largest lithium brine portfolio in Alberta, Canada, as measured by actual coverage over relevant formations, in this case the Leduc Formation (see map attached).

Portfolio Highlights:

- Immediate Scale-Up to a 505,000+ Acre Oilfield Lithium Brine Project Base.
- Historic Lithium Sampling up to 135 mg/L.
- Significant Lithium Brine Exploration Opportunities in Infrastructure-Rich Region.
- Permits Contain Oil Field Wellheads Offering Potential for Well Sampling Programs and Oil Company Partnerships.
- Permit Control of the Leduc S, South Formation Water Lithium Target Area.

**Figure 1 – Alberta Lithium Brine Project Map (South Leduc Brine project area)**



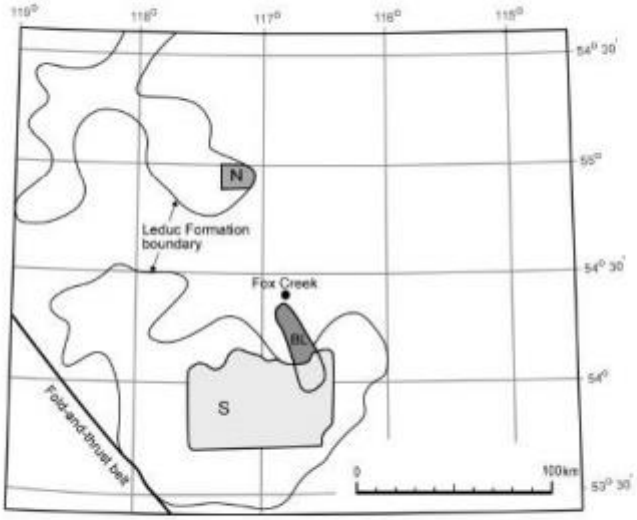

As part of its broader Alberta Lithium Brine Project, the new South Leduc Brine project area, which independently exceeds 450,000 acres, offers significant and cohesive scale and operational efficiencies, particularly when compared to small, geographically-diffused approaches. The sheer district scope of the project area, approaching 70

kilometers on an eastwest basis and up to 38 kilometers on a north-south basis may assist with eliminating and addressing multi-party drainage conflicts commonly associated with smaller geographical brine districts in other jurisdictions. In Alberta, extractive rights to lithium (and other minerals) accrue to the holder of a Metallic and Industrial Minerals Permit covering the location in question and not to the holder of any rights under oil or gas licenses of same location. As such, petroleum companies operating oil and gas activity in areas of lithium-rich formation water have no legal ownership of prospective lithium brines absent concurrently holding the Metallic and Industrial Minerals Permit. Therein, monopoly holders of lithium right permits have a unique partnership opportunity within Alberta which does not always correspond to other lithium oilfield brine prospects elsewhere. Increased lithium commodity pricing, renewed efforts to cost-recover expenses affiliated with brine water coincidental to maturing hydrocarbon production fields and increased environmental stewardship have brought lithium oilfield brines to the attention of the extractive industry.

The Company encourages investors to review a 2011 report published by the Alberta Geological Survey (AGS) entitled, Geological Introduction to Lithium-Rich Formation Water with Emphasis on the Fox Creek Area of West-Central Alberta (NTS 83F and 83K)(ERCB/AGS Open File 2011- 10)(the "AGS Report").

The AGS Report concluded that Devonian formation waters associated with producing oil and gas wells in the Fox Creek area of west-central Alberta offered mg/L lithium readings ranging from 5-14 times background levels in Alberta resulting in specific lithium in formation water target areas being of potential economic interest. In addition, elevated bromine, boron and potassium offered the possibility for multi-element by-product streams.

**Figure 2 – Estimated Areas of Producible Lithium Formation Water in the Leduc Formation and the Beaverhill Lake Group strata (Source Credit: AGS Report)**




Government data from the mid-1990s depicting the lithium potential of west-central Alberta: a) distribution of lithium in formation water associated with the Leduc and Swan Hills carbonate complexes (modified from Hitchon et al., 1993); b) estimated areas of producible lithium formation water in the Leduc Formation (N, North; S, South) and the Beaverhill Lake Group (BL) strata (Bachu et al., 1995).

Government data from the mid-1990's (see Figure 2) estimated areas of producible lithium formation water in the Leduc Formation (N, North and S, South) and the Beaverhill Lake Group (BL) strata (Bachu et. al., 1995). As it concerns recent industry efforts around oilfield lithium brine prospects in Alberta, this research is significant in so far as it vectors in on potential brine production areas that may have lithium extraction potential.

Importantly, both the South Leduc Brine project area and MGX Minerals Inc.'s Sturgeon Lake Lithium Brine Project target the same Leduc Formation, with the MGX Mineral Inc. project focusing on the N, North region identified in both Figure 1 and Figure 2 and the Power Metals Corp. project focusing on the S, South region, likewise identified.

The Company is particularly encouraged as the S (South) target identified by Bachu et. al. (see Figures 1 and 2) is spatially much larger than the N (North) target and thus, pending further exploration, may represent a larger in-situ lithium brine target that ultimately exceeds the scale of the geographically-smaller N, North target being pursued by MGX Minerals Inc.

In addition to the South Leduc Brine project area referenced above and as part of the permit portfolio being acquired, the Company will also hold an additional lithium brine prospect {00672029;1} situated immediately northeast of the City of Red Deer, hereafter referred to as the Red Deer Lithium Brine project area.

## *Drumheller and Peace River*

The Company entered an agreement to acquire new lithium brine claim areas totaling 42,000 acres of prime ground in the Drumheller and Peace River areas.

As consideration, the Company must issue 650,000 shares, following Exchange approval.

At Drumheller the surface bedrock geology of the Property is comprised entirely of the Horseshoe Canyon Formation.

The target for lithium brines on the Property are the Winterburn Carbonates (the "Target"). Lithium values for the Target were noted in three old wells. Of potential interest is an apparent thickening of the Target towards the southeast on the Property as per old well data.

To view the table and image, please visit: http://media3.marketwire.com/docs/1087895a.pdf

At Peace River, a total of three (3) old wells drilled on the Property have values for lithium brines (mg/L) according to data available from the Alberta Energy Regulator ("AER"). Also according to the AER two of these have been abandoned. These old wells show potential for Triasssic and Carboniferous aged carbonate formations to host lithium brines. Two wells in particular have two distinct carbonate horizons bearing lithium in brines. Also of note is the Viking Formation, much younger in strata which is a clastic and exhibits a low amount of lithium.

To view the table and image, please visit: http://media3.marketwire.com/docs/1087895b.pdf

## *Separation Lake Property*

On April 20, 2017, the Company announced the acquisition of new prospective lithium asset in Canada.

The Separation Lake Property is located 75 km north of Kenora, northwestern Ontario in Separation Lake. The Property is composed of 64 mining claims totaling 1198 ha and is approximately 15 km by 5 km in size.

The project is proximal to Avalon's Big Whopper pegmatite which is located about 3 km west of the western claim block and has a resource of 11.6 million tonnes at 1.34% Li2O, 0.30% Rb2O and 0.007% Ta2O5. This resource has a strike length of 600m to a maximum vertical depth of 250m and the lithium grades are consistent with a petalite content averaging about 25%.

Highlights include:

- Over 50 exposures of pegmatite have been identified on the property.
- Twenty-nine drill holes intersected over 775m of pegmatite but only 12% was assayed for lithium.
- Both spodumene and petalite have been identified and are white in colour indicative of high quality lithium mineralization.
- The known petalite pegmatites on Exiro's property define three parallel 70 degrees trends which have not been fully explored.

- The Draven's Pegmatite, located immediately outside Exiro's northern property boundary intersected 1.82% Li2O over 0.85m.
- Ten historical lithogeochemistry anomalies have been identified on the property where two anomalies were drill tested and pegmatite was intersected. The majority of these anomalies have not been drill tested.
- Six historical enzyme leach anomalies were identified that overlap with the lithogeochemistry anomalies providing further evidence of buried pegmatites. One of the enzyme leach anomalies was drill tested successfully intersecting the White Turtle Pegmatite Swarm and the J-Series Pegmatites at depth. The remaining five anomalies have not been drill tested.

On April 24, 2017, the Company announced the upcoming drill and work programs.

The Separation Lake Property is located 75 km north of Kenora, northwestern Ontario. The Paters Separation on Lake Property is located within the Separation Lake Greenstone Belt which hosts the Separation Rapids Pegmatite Field. The Separation Rapids Pegmatite Field is known to contain numerous petalite pegmatites including the Big Whopper, Big Mack and Marko's pegmatites.

Power Metals summer 2017 exploration program on the Separation Lake Property will consist of geological mapping, trenching and channel sampling to investigate the approximately 50 pegmatite exposures on the Property and the westerly extension of the Marko's pegmatite onto Power Metals Property. The geological mapping will also follow the three parallel 70° trends of known petalite pegmatite dykes in search of additional dykes. The geological mapping will be followed by 800 m of drilling for approximately 8 drill holes on selected overlapping ten lithogeochemistry and six enzyme leach soil anomalies historically identified but barely explored.

## *Gullwing - Tot Lake Property*

On April 20, 2017, the Company announced the acquisition of new prospective lithium asset in Canada.

The Gullwing - Tot Lake Property is located 30 km northeast of Dryden, northwestern Ontario in Webb township. The Property is composed of 76 mining claims totaling 1216 ha and is approximately 17 km by 1.5 km in size.

The Gullwing - Tot Lake pegmatites are located 13 km north east of International Lithium Corp's Mavis Lake - Fairservice pegmatites. International Lithium's partner Pioneer Resource Limited completed 12 drill holes totaling 1,305 m on March 2, 2017 on the Mavis Lake Property with drill highlights of 1.47 % Li2O over 17.9 m and 1.70 % Li2O over 26.3 m (International Lithium, press release dated April 11, 2017).

Highlights include:

- The Gullwing-Tot Pegmatite group, also known as the Lateral Lake Stock, has been identified as a east-northeast trending cluster of pegmatites extending 15km in length with a width ranging between 0.8 and 2.2 km. This pegmatite field remains largely unexplored for rare metals and practically unexplored for lithium.
- The Sleeping Giant pegmatite at Gullwing Lake contains rubidium and cesium with a drill hole intersection of 36.3m grading 0.135% Rb.
- The Tot Lake Pegmatite was drill tested intersecting up to 5.3m of pale yellow, green and pink spodumene but none of the spodumene bearing intersections were assayed for lithium.
- Dyke chip samples collected across two 9m long trenches on the Tot Lake Pegmatite contained an average grade of 1.0% Li2O.
- More recent grab sampling confirmed a high degree of fractionation of the Tot Lake pegmatite with the presence of large pink spodumene crystals, pollucite and manganotantalite.

The Company can earn from the vendor a 100% interest in the Separation Lake and Gullwing-Tot properties upon the completion of the following:

i) pay an aggregate of $200,000 all over a two year period;
ii) issue $300,000 worth of the Company's stock all over a two year period;

iii) incur $400,000 of work on the properties all over a three year period; and
iv) pay $450,000 (in cash or shares at the Company's election) upon a feasibility study being completed on a property.

In addition, Exiro will be entitled to a 0.5% NSR royalty on all production from the Properties.

On April 24, 2017, the Company announced the upcoming drill and work programs.

The Gullwing – Tot Lake Property is located 30 km northeast of Dryden, northwestern Ontario. The Property consists of multiple pegmatite dykes including: Gullwing Lake spodumene pegmatite swarm, Tot Lake spodumene pegmatite, Coates beryl-molybdenite pegmatite hosted by the Wabigoon Greenstone Belt and about 15 Rb-Cs pegmatite exposures hosted by granite located in the Drope township area. The Gullwing Lake pegmatite swarm consists of a cluster of over 20 spodumene pegmatites identified in outcrop along the southeastern shore of Gullwing Lake. The largest pegmatite in the swarm is the Sleeping Giant Pegmatite is at least 415 m long. Tot Lake pegmatite is a spodumene-subtype pegmatite which is almost 50 m long. Tot Lake pegmatite is one of the few pollucite occurrences in Ontario indicating a very high degree of fractionation.

Power Metals summer 2017 exploration program on the Gullwing – Tot Lake Property will consist of geological mapping, trenching and channel sampling to investigate the multiple pegmatite dykes on the Property. The geological mapping will also explore the possibility of additional pegmatites being found over the 5 km between the Gullwing Lake pegmatite swarm and the highly-fractionated Tot Lake pegmatite. The geological mapping will be followed by 1,000 m of drilling for approximately 8 drill holes on selected exploration targets.

## Bromley Creek Property

The Bromley Creek North Zeolite Project consists of License 1053904, which is 105.03 ha in size (approximately 259.4 acres). The project is located within the Similkameen Mining district near road and powerline access and is approximately 10km from Princeton, British Columbia.

The Bromley Creek North Zeolite Project shares a contiguous northern boundary with Canadian Zeolite Corp.'s Bromley Creek zeolite operations.

In furtherance of the Bromley Creek North Project, Power Metals has already identified target areas within the project for immediate zeolite exploration.

Upon closing of the acquisition, the Company will commence the development of exploration plans for this new British Columbia Zeolite project.
The Bromley Creek North Zeolite Project was acquired from an arm's-length party in exchange for the payment of certain licensing fees and the granting of a 2% royalty.

During the year ended November 30, 2017, management decided to abandon the project.

## MMJ Zeolite Property

On August 15, 2017, the Company entered into an agreement to acquire the MMJ Zeolite Project, situated in Nova Scotia, Canada.

The MMJ Zeolite Project represents the inauguration of the company's strategy to pursue a leading zeolite market position in Canada.

"We believe Power Metals can add significant shareholder value for investors in the fast-growing zeolite marketplace, which displays robust demand from new agricultural and clean technology sectors. With today's announcement, Power Metals becomes one of Canada's premier zeolite project proponents as reflected by our

capitalization and financial resources. This drill-ready zeolite asset fits nicely into our advanced project portfolio, which also includes lithium brines in Alberta and our hard-rock Case Lake lithium project in Ontario."

Nova Scotia's zeolites are world-renowned and Power Metals is most pleased to have acquired an advanced-stage zeolite asset in such close proximity to the large population and manufacturing bases of North America's east-coast. Historic zeolite exploration in Nova Scotia pre-dates the emergence of new prospective agricultural markets which makes this zeolite asset acquisition extraordinarily exciting for our company

We have also been reviewing further zeolite projects and it is our intention to capitalize on additional zeolite opportunities in the near-future which should help position Power Metals as a premier publicly-traded company for zeolite assets. We look forward to scaling up our zeolite asset base, zeolite exploration plans and zeolite marketing efforts," stated Johnathan More, Director of Power Metals.

The MMJ Zeolite Project consists of five contiguous mineral claims comprising 437 ha of tenure, (or approximately 1,079 acres) and is located near road and powerline access.

Importantly, and for the first-time, the MMJ Zeolite Project brings together the contiguous tenure of two historic zeolite projects from two different operators who independently identified highly-prospective zeolite projects.

The southern-half of the MMJ Zeolite Project covers and expands on tenure previously diamond-drilled and advanced by C2C Mining Corporation, and is referred to as the Brow of Mountain area.

The northern-half of the Bromley Creek Property covers and expands on tenure previously advanced by Ian Booth, a zeolite pioneer in Nova Scotia, and is referred to as the Crown Land area.

The Company believes the combined historic target areas provide a significant zeolite opportunity by way of an advanced, drill-ready zeolite project with the potential for a largescale, shallow zeolite deposit model.

Interested parties are encouraged to review the applicable publicly-filed, third-party assessment reports made available by the Government of Nova Scotia and accessible through the following links:

https://www.novascotia.ca/natr/meb/data/ar/1998/AR_ME_1998-081.pdf

https://www.novascotia.ca/natr/meb/data/ar/1997/AR_ME_1997-084.pdf

The Company cautions that any historic work or estimates associated with the Bromley Creek Property and its tenure should not be relied upon.

The Bromley Creek Property was acquired from an arm's-length party in exchange for 1,558,767 common shares (issued), and the granting of a 2% royalty. Shares issued pursuant to the Agreement are subject to a four-month hold period.

During the year ended November 30, 2017, management decided to abandon the project; accordingly the capitalized cost of $420,807 was written off.

## Liquidity and Going Concern

The Company has financed its operations to date primarily through the issuance of common stock. The Company continues to seek capital through various means including the issuance of equity.

The financial statements are prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

As at November 30, 2017, the Company had an accumulated deficit of $24,551,053 (November 30, 2016 - $19,589,263). In addition, the Company has not generated revenues from operations. These circumstances lend

substantial doubt as to the ability of the Company to meet its obligations as they come due, and accordingly, the appropriateness of the use of accounting principles applicable to a going concern.

Although the financial statements have been prepared using IFRS applicable to a going concern, the above noted conditions raise significant doubt regarding the Company's ability to continue as a going concern.

In order to continue as a going concern and to meet its corporate objectives, the Company will require additional financing through debt or equity issuances or other available means. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company.

The Company has a working capital deficiency of $1,451,034 at November 30, 2017 compared to working capital deficiency of $1,266,550 at November 30, 2016.

Net cash used in operating activities for the year ended November 30, 2017 was $1,557,697 compared to $244,677 for the year ended November 30, 2016 and consists primarily of the operating loss adjusted for changes in non-cash working capital items (see "Results of Operations" for information on operating loss differences for both periods).

Net cash used in investing activities for the year ended November 30, 2017 was $1,209,821 compared to $702,565 for the year ended November 30, 2016 due to acquisitions of exploration properties in the current year.

Net cash provided by financing activities for the year ended November 30, 2017 was $2,793,595 compared to $867,000 for the year ended November 30, 2016, as a result of proceeds of $1,035,000 from a private placement less $47,921 in share issuance cost, $23,506 of interest repayment, $1,237,742 from warrants exercised and $592,250 from options exercised.

## Commitment

In connection with the issuance of flow-through common shares in December 2015, the Company has a commitment to incur $225,000 of qualifying flow-through expenditures. As at November 30, 2017, the Company had completed this flow-through commitment.

In connection with the issuance of flow-through common shares in July 2017, the Company has a commitment to incur $350,000,000 of qualifying flow-through expenditures. As at November 30, 2017, the Company completed the flow-through commitment.

The following is a continuity schedule of the deferred premium on flow-through shares issuance:

| | |
|---|---|
| Balance at November 30, 2015 | $ 26,042 |
| Initial recognition of deferred premium on flow-through shares | 37,500 |
| Settlement of flow-through share liability on incurring expenditures | (32,492) |
| Balance at November 30, 2016 | 31,050 |
| Initial recognition of deferred premium on flow-through shares | 29,167 |
| Settlement of flow-through share liability on incurring expenditures | (60,217) |
| Balance at November 30, 2017 | $ - |

## Share Capital & Reserves

During the period from December 1, 2016 to April 2, 2018, the Company:

i) Closed a private placement financing of 13,333,333 units at a price of $0.075 per unit raising total proceeds of

$1,000,000. Each unit is comprised of one common share and one share purchase warrant. Each warrant is exercisable into one common share at $0.15 per share, for a period of two years. In connection with the private placement, the Company paid share issuance costs of $18,171 in cash, issued 96,827 units valued at $7,262, and granted 10,640 share purchase warrants with a fair value of $362 using the Black-Scholes option pricing model assuming expected life of 2 years, a risk-free interest rate of 0.75%, a forfeiture rate of 0% and an expected volatility of 117.83%

ii) Issued 2,575,000 shares pursuant to the exercise of options for gross proceeds of $592,250, and accordingly, the Company allocated $522,662 of share-based reserve to share capital.

iii) Issued 7,824,834 shares pursuant to the exercise of warrants for gross proceeds of $1,237,742 and accordingly, the Company allocated $12,674 of share-based reserve to share capital.

iv) Issued 5,000,000 shares with a total fair value of $1,675,000 for the acquisition of the Leduc Lithium Property.

v) Issued 3,500,000 shares with a total fair value of $1,120,000 for the acquisition of the Coyote Project.

vi) Issued 1,000,000 shares with a total fair value of $300,000 pursuant to the letter of intent with American Potash Corp. ("AMP") regarding a joint venture agreement to explore and develop lithium brines.

vii) Issued 650,000 shares with a total fair value of $195,000 for the acquisition of the Drumheller Property and Peace River Properties.

viii) Completed a private placement financing of 1,166,666 units at a price of $0.30 per unit raising total proceeds of $350,000. Each unit is comprised of one flow-through common share and one-half warrant. Each whole warrant is exercisable into one common non flow-through share at $0.40 per share, expiring on July 7, 2019. The flow-through common shares were valued at $0.275 per share for a total value of $320,833 and the residual value of $29,167 was allocated to deferred premium on flow-through shares. In connection with the private placement, the Company paid $29,750 of share issuance cost.

ix) Issued 171,875 shares with a total fair value of $55,000 for the acquisition of the Separation Lake and Gullwing-Tot Property.

x) Issued 1,558,767 shares with a total fair value of $420,867 for the acquisition of the Bromley Creek; and

xi) Issued 3,000,000 shares with a total fair value of $2,430,000 for the acquisition of additional claim units near the Case Lake Property.

xii) Closed a private placement financing of 1,071,428 flow-through units at a price of $0.70 per unit raising total proceeds of $750,000. Each flow-through unit is comprised of one common share and one-half share purchase warrant. Each whole warrant is exercisable into one common share at $1.10 per share, for a period of two years.

xiii) Closed a private placement financing of 6,900,000 units at a price of $0.50 per unit raising total proceeds of $3,450,000. Each unit is comprised of one common share and one share purchase warrant. Each warrant is exercisable into one common share at $0.70 per share, for a period of two years. In connection with the private placement, the Company paid share issuance costs consisting of $207,000 in cash, and 414,000 agent's warrants, exercisable to purchase one unit at $0.70, for a period of two years.

xiv) Issued 910,333 shares pursuant to the exercise of warrants for gross proceeds of $136,550.

xv) Issued 52,556 shares pursuant to the exercise of agent's warrants for gross proceeds of $7,883.

## Results of Operations

During the year ended November 30, 2017, the Company recorded a loss and comprehensive loss of $5,379,420 (2016 - $6,278,604). The increase in loss is primarily as a result of stock-based compensation and marketing, promotion, and communication of in the current period. Other significant expenses during the year ended November 30, 2017 include the following:

- Consulting of $135,777 (2016 - $15,452) increased due to increased activities in the current year.

- Filing fees of $56,881 (2016 - $37,687) increased due to fees incurred relating to private placements in the current year.

- Management fee of $45,198 (2016 - $180,000) decreased due to voluntary reduction in management fees by the CEO and CFO in the comparative year.

- Marketing, promotion and communication of $987,046 (2016 - $Nil) increased due to increased communication and marketing efforts to raise investor awareness during the current year.

- Office expenses of $66,269 (2016 - $24,572) increased mainly due to an increase in general administrative costs and rent during the current year.

- Share-based compensation of $1,642,193 (2016 - $Nil) increased due to stock options being granted in the current year.

- Travel of $82,531 (2016 - $14,823) increased due to more trips being taken to meetings and visits to the mineral properties during the current year.

Other significant expenses during the year ended November 30, 2016 include the following:

- Write-off of exploration properties of $2,188,652 (2016 - $5,790,099) due to write off of Coyote Project, Bromley Creek Project, and Larder River Property.

## Fourth Quarter

During the three month ended November 30, 2017, the Company incurred a loss of $2,671,653 which was primarily attributable to the Company abandoning option agreements and writing down properties of $2,188,652, granting of share-based compensation of $1,642,193 and marketing, promotion and communication activities of $987,046.

## Selected Annual Information

The following table provides a brief summary of the Company's financial operations. For more detailed information, refer to the financial statements.

| | Year Ended November 30, 2017 | Year Ended November 30, 2016 | Year Ended November 30, 2015 |
|---|---|---|---|
| Interest income | $ - | $ - | $ - |
| Net loss | (5,379,420) | (6,278,604) | (1,690,589) |
| Basic and diluted loss per share | (0.07) | (0.20) | (0.08) |
| Total assets | 7,326,767 | 1,670,244 | 4,879,818 |
| Cash dividends | - | - | - |

The increase in loss for the year ended November 30, 2016 is primarily due to the write off of the Triple M Uranium property of $5,383,992, and the write off of the Upper Maybelle River property of $406,106.

## Selected Quarterly Information

The following selected financial data has been prepared in accordance with IFRS and should be read in conjunction with the Company's audited financial statements. All dollar amounts are in Canadian dollars.

| | Exploration and evaluations assets | Interest Income | Earnings/ (Loss) | Basic and Diluted Loss/Share |
|---|---|---|---|---|
| November 30, 2017 | $ 7,121,762 | $ - | $ (2,671,653) | $ (0.03) |
| August 31, 2017 | $ 5,702,693 | $ - | $ (920,541) | $ (0.01) |
| May 31, 2017 | $ 5,417,453 | $ - | $ (657,975) | $ (0.01) |
| February 28, 2017 | $ 3,604,750 | $ - | $ (1,129,251) | $ (0.02) |
| November 30, 2016 | $ 1,632,132 | $ - | $ (5,890,657) | $ (0.20) |
| August 31, 2016 | $ 5,695,398 | $ - | $ (71,207) | $ (0.00) |
| May 31, 2016 | $ 5,609,879 | $ - | $ (244,961) | $ (0.00) |
| February 29, 2016 | $ 4,756,879 | $ - | $ (71,779) | $ (0.00) |
| November 30, 2015 | $ 4,750,773 | $ - | $ (705,997) | $ (0.03) |

During the three month ended November 30, 2017, the Company incurred a loss of $2,671,653 which was primarily attributable to the Company abandoning option agreements and writing down properties of $2,188,652, granting of share-based compensation of $1,642,193 and marketing, promotion and communication activities of $987,046.
During the three month period ended November 30, 2016, the Company incurred a loss of $5,890,657 which was primarily attributable to the Company abandoning option agreements and writing down the following exploration and evaluation asses Upper Maybelle River Property of $406,106 and Triple M Uranium Property of $5,383,992.

During the three month period ended November 30, 2015, the Company incurred a loss of $705,997 which was primarily attributable to the write-down of Key Lake Property of $600,063, consulting fees of $17,802, and professional fees of $14,000.

## Financial Instruments and Risk

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets and liabilities;
Level 2 – Inputs other than quoted prices that are observable for the asset or liabilities either directly or indirectly; and
Level 3 – Inputs that are not based on observable market data.

The Company's primary financial instruments are classified as follows:

| Financial instruments | Classifications |
|---|---|
| Cash | Loans and receivables |
| Receivable | Loans and receivables |
| Accounts payable and accrued liabilities | Other financial liabilities |
| Loans payable | Other financial liabilities |

The fair value of these assets and liabilities approximates their respective carrying amounts due to their short term nature.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

*Credit risk*

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. As at November 30, 2017, the Company had GST receivable of $106,928 (November 30, 2016 – $12,480) from government authorities in Canada. The Company believes it has no significant credit risk.

*Liquidity risk*

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at November 30, 2017, the Company had a cash balance of $33,688 (November 30, 2016 – $7,621) to settle current liabilities of $1,591,630 (November 30, 2016 – $1,286,651). The Company will require financing from lenders, shareholders and other investors to generate sufficient capital its meet its short term business requirements. All of the Company's financial liabilities have contractual maturities of 30 days or due on demand and are subject to normal trade terms.

*Market risk*

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

(a) Interest rate risk

The Company has cash balances and interest-bearing debt. The Company is satisfied with the credit ratings of its banks. As of November 30, 2017, the Company did not hold any investments. The Company believes it has no significant interest rate risk.

(b) Foreign currency risk

As at November 30, 2017, the Company has a minimal balance of cash in US dollar and does not believe that the foreign currency risk related to the balance is significant.

(c) Price risk

The Company has no contractual commodity price risk. The recoverability of the Company's deferred exploration costs is indirectly related to the market price of precious and base metals. The Company's ability to continue with its exploration program is also indirectly subject to commodity prices. Commodity price risk

is significant to the Company. Much of this is out of the control of management and will be dealt with based on circumstances at any given time.

## Related Party Balances and Transactions

Transactions with related parties and key management personnel are as follows:

| | Nature of transactions | November 30, 2017 | November 30, 2016 |
|---|---|---|---|
| **Key management personnel:** | | | |
| Chairman and Director | Management | $ 45,197 | $ 120,000 |
| A company controlled by CFO and Director | Professional | 64,000 | 60,000 |
| A company controlled by CFO and Director | Management | 6,000 | - |
| A company controlled by former VP Exploration and Development | Geological and field costs i) | 8,000 | 109,600 |
| VP Exploration and a company controlled by VP Exploration | Geological and field costs i) | 183,550 | - |
| Total | | $ 306,747 | $ 289,600 |
| **Other related parties:** | | | |
| A firm of which the CFO and Director was a partner | Professional | $ - | $ 73,300 |

i) Capitalized in exploration and evaluation assets.

During the year ended November 30, 2017, the Company granted 2,950,000 stock options (2016 – Nil) to officers and directors of resulting in share-based compensation of $690,603 (2016 - $Nil).

The amounts due to other related parties and key management personnel included in accounts payable and accrued liabilities are as follows:

| | November 30, 2017 | November 30, 2016 |
|---|---|---|
| Due to a firm of which the CFO and Director is a partner | $ - | $ 182,663 |
| Due to the Chairman and Director | 23,361 | 33,361 |
| Due to a company controlled by the CFO and Director | 159,793 | 55,423 |
| Due to a company controlled by VP Exploration and Development | 233,603 | 225,203 |
| Due to a Director | 13,125 | 13,125 |
| Due to VP Exploration and a company controlled by VP Exploration | 69,184 | - |
| | $ 499,066 | $ 509,775 |

The amounts due to related parties are unsecured non-interest bearing and are due on demand.

During the year ended November 30, 2016, the Company entered into a purchase and sale agreement for the Upper Maybelle River Uranium Property with two vendors, one of which was the VP Exploration and Development. The Company issued 2,000,000 common shares with a market value of $200,000, which represents 50% of the purchase price, to the VP Exploration and Development.

## Off-Balance Sheet Arrangements

The Company has not engaged in any off-balance sheet arrangements such as obligations under guarantee contracts, a retained or contingent interest in assets transferred to an unconsolidated entity, any obligation under derivative instruments or any obligation under a material variable interest in an unconsolidated entity that provides financing, liquidity, market risk or credit risk support to the Company or engages in leasing or hedging services with the Company.

## Capital Management

The Company's objective when managing capital is to safeguard the entity's ability to continue as a going concern.

In the management of capital, the Company monitors its adjusted capital which comprises all components of equity (ie. share capital, reserves and deficit).

The Company sets the amount of capital in proportion to risk. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue common shares through private placements. The Company is not exposed to any externally imposed capital requirements.

No changes were made to capital management during the year ended November 30, 2017.

## New Or Revised Standards And Amendments To Existing Standards Not Yet Effective

Please refer to the audited financial statements for the year ended November 30, 2017 on www.sedar.com.

## Outstanding Share Data

As at April 2, 2018, the Company had the following securities issued and outstanding:

| | Number | Exercise Price | Expiry Date |
|---|---|---|---|
| Common Shares | 96,200,815 | | |
| Warrants | 535,714 | $1.10 | December 5, 2018 |
| | 4,303,334 | $0.15 | December 20, 2018 |
| | 1,799,999 | $0.15 | January 3, 2019 |
| | 49,911 | $0.15 | January 3, 2019 |
| | 583,333 | $0.40 | July 7, 2019 |
| | 6,900,000 | $0.70 | January 12, 2020 |
| | 414,000 | $0.70 | January 12, 2020 |
| | 14,586,291 | | |
| Options | 556,663 | $0.60 | July 21, 2018 |
| | 366,665 | $0.51 | January 7, 2019 |
| | 165,023 | $0.51 | March 12, 2019 |
| | 101,664 | $0.48 | May 1, 2019 |
| | 50,000 | $0.36 | October 28, 2019 |
| | 600,000 | $0.23 | January 16, 2022 |
| | 200,000 | $0.48 | February 20, 2022 |
| | 100,000 | $0.33 | March 12, 2022 |
| | 3,000,000 | $0.28 | July 17, 2022 |
| | 3,300,000 | $0.81 | January 4, 2023 |
| | 1,000,000 | $0.65 | March 15, 2023 |
| | 9,440,015 | | |
| **Total diluted at April 2, 2018** | **120,227,121** | | |

## Lithium Oilfield Brine Advisory Board

On February 1, 2017, The Company announced the appointment of Dennis J. Martin to the Advisory Board of the Company.

Dennis J. Martin was employed by Gulf Canada for 18 years and in his most recent position was head of Strategic Planning for Gulf and its 72% owned subsidiary, Gulf Indonesia Resources. At Gulf Canada, Mr. Martin was involved in the planning and marketing of approximately $6 Billion in public debt and equity offerings with the Company. He has extensive IPO experience and was directly involved in two highly visible and successful IPOs, Athabasca Oil Sands Trust (predecessor to Canadian Oil Sands Trust) and Gulf Indonesia Resources Ltd.

Mr. Martin also has extensive real estate experience, including Senior Vice President roles in Financial Planning and Analysis with two public REITs (Apartment Investment and Management Co, and HCP, Inc.). In his most recent leadership roles, Mr. Martin was CFO of two private, equity-sponsored companies that successfully liquidated in private market transactions (American Residential Communities and Carefree Communities).

Mr. Martin is currently an independent director TIER REIT, Inc., a self-managed, Dallas-based public office REIT (NYSE:TIER) and an Independent Director of Petro Motion, Inc., a private Canadian company engaged in the development of new materials and processes to improve the efficiency of companies working in the heavy oil production sector.

Mr. Martin is a citizen of both Canada and the USA and holds a B.A. in economics and an MBA from the University of British Columbia.

Johnathan More, Chairman of the Company noted "We are very pleased to welcome Mr. Martin as the first addition to our Advisory Board to which we intend to appoint experts in lithium brine production, extraction technologies, and conventional as well as unconventional oil and gas executives.

The Company believes that the magnitude of the opportunity at our South Leduc brine project area could have industry altering implications, if commercialized. We believe that the right team of experts across all relevant segments of lithium, technology and oil and gas will significantly aid us in moving that process forward along a condensed timeline and at a reduced cost, while markedly elevating the change of commercial success.

We also believe that the group of individuals that the Company is bringing together will help to form the basis for partnerships at all levels of this process that will inevitably lead us forward creating shareholder value."

## Addition of Project Manager

The Company is pleased to appoint Mr. Ron Bourgeois as Project Manager covering its asset base in Alberta and Utah. Mr. Bourgeois has over thirty years of experience in executive management, particularly in the oil and gas industry. He has held numerous and varying management and public company positions with extensive experience in the development and financing of major oil and gas resources and infrastructure assets around the world. Specifically, Mr. Bourgeois has significant experience in developing commercial solutions in the extractive industries to liberate major resource bases, recently including the Palo Duro Basin, Texas, where Mr. Bourgeois worked closely on fracking and other solutions. Mr. Bourgeois holds a B. Comm. (Hons.) from the University of Manitoba and he has been a chartered accountant since 1976.

In connection with the appointment, the Company granted 100,000 options at $0.48 per share.

## New CEO and Director

The Company is pleased to appoint Mr. Brent Butler as CEO and Director of the Company. The Company's current CEO, Johnathan More will be moved to Chairman of the Board.

Brent Butler is a geologist who brings over 30 years of international industry experience in exploration, resource modeling and mining. He actively engages in property acquisitions, development and divestment and has been involved in several mine developments. Mr. Butler has served on several Boards of Directors of listed companies including roles at Kinross Gold Corporation for 8 years in Canada, USA, Brazil, Chile and Africa. He currently serves as a Director of TSXlisted Millennial Lithium Corp (ML). Mr. Butler holds a Bachelor of Science degree from Otago University in Dunedin, New Zealand (1983) and is registered as a Fellow of Australasian and Metallurgy (Auslmm), member of the Prospectors and Developers Association of Canada, Fellow Member of the Society of Economic Geology USA and member of the Geological Society of London (FGS) since 2011.

## Strategic Partner for Optimal Lithium Recovery Technology

On April 10, 2017, the Company announced the engagement of Thibault and Associates Inc ("Thibault"), of Fredericton, New Brunswick, whereby Thibault will provide an independent review of processing options for development of both the Case Lake Project and the Company's various Petro-Lithium projects both in Canada and the USA. Once a technology is formulated which is of specific benefit to each project, this technology will be developed for Power Metals as "sole rights" to the Company. This approach provides Power Metals with the best available technology relative to the feedstock and production strategy to comply with end user requirements.

The Company is in discussion on a development concept that would be based on a Central Lithium Chemical Refinery (CLCR) capable of processing feedstock from hard rock operations (like Case Lake and Larder River projects), intermediate product from petro-lithium brine (from various sources) and battery recycle (battery guts from a recycler not involved in processing in order to obtain added revenue from 5N grade cobalt and or 4N grade manganese for battery use).

## Power Metals to Commence Aggressive Drill Program

On April 24, 2017, the Company announced upcoming drill and work programs for the Company's hard rock lithium properties. The Company's summer 2017 exploration program targets three of the Company's properties; Case Lake Property, Separation Lake Property, and the Gullwing-Tot Lake Property. The Case Lake Property will consist of ~5000m of drilling of approximately 50 drill holes. Case Lake spodumene pegmatite swarm is located 80 km east of Cochrane, northeastern Ontario. Case pegmatite swarm consists of five dykes exposed on surface: North, Main, South and Northeast Dyke. North, Main and Northeast Dykes contain spodumene. North Dyke has >100m strike length, Main Dyke has >350m strike length and the Northeast Dyke has >75m strike length. The summer 2017 exploration program will target the North and Main Dykes to define the pegmatite and lithium mineralization and to extend the dykes to the east and west along strike and down dip. The Company has an Exploration Plan on the Case Lake Property approved by MNDM and has submitted an Exploration Permit application with MNDM for the Case Lake drill program. The summer 2017 exploration program for Separation Lake Property will consist of geological mapping, trenching and channel sampling to investigate the approximately 50 pegmatite exposures on the Property and the westerly extension of the Marko's pegmatite onto Power Metals Property. The geological mapping will also follow the three parallel 70° trends of known petalite pegmatite dykes in search of additional dykes. The geological mapping will be followed by 800m of drilling for approximately 8 drill holes on selected overlapping ten lithogeochemistry and six enzyme leach soil anomalies historically identified, but barley explored. The Separation Lake Property is located 75 km north of Kenora, northwestern Ontario. The Separation Lake Property is located within the Separation Lake Greenstone Belt which hosts the Separation Rapids Pegmatite Field. The Separation Rapids Pegmatite Field is known to contain numerous petalite pegmatites including the Big Whopper, Big Mack and Marko's pegmatites. Lastly, the summer 2017 exploration program on the Gullwing-Tot Property will consist of geological mapping, trenching and channel sampling to investigate the multiple pegmatite dykes on the Property. The geological mapping will also explore the possibility of additional pegmatites being found over the 5 km between the Gullwing Lake pegmatite swarm and the highly-fractionated Tot Lake pegmatite. The geological mapping will be followed by 1,000 m of drilling for approximately 8 drill holes on selected exploration targets. The Gullwing – Tot Lake Property is located 30 km northeast of Dryden, northwestern Ontario. The Property consists of multiple pegmatite dykes including: Gullwing Lake spodumene pegmatite swarm, Tot Lake spodumene pegmatite,

Coates beryl-molybdenite pegmatite hosted by the Wabigoon Greenstone Belt and about 15 Rb-Cs pegmatite exposures hosted by granite located in the Drope township area. The Gullwing Lake pegmatite swarm consists of a cluster of over 20 spodumene pegmatites identified in outcrop along the southeastern shore of Gullwing Lake. The largest pegmatite in the swarm is the Sleeping Giant Pegmatite is at least 415 m long. Tot Lake pegmatite is a spodumene-subtype pegmatite which is almost 50 m long. Tot Lake pegmatite is one of the few pollucite occurrences in Ontario indicating a very high degree of fractionation.

## Definitive Agreement

On October 24, 2017, the Company entered into a definitive agreement with MGX Minerals Inc. ("XMG") to acquire certain interests held by the Company in exchange for common shares in the capital of XMG. The transaction terms are as follows:

a) XMG acquires all of the Company's current U.S. Petrolithium Brine assets, consists of Paradox Basin and Coyote Project.
b) XMG acquires a 20% interest in all of the Company's current hard rock assets, consists of Case Lake, Separation Lake, Gullwing – Tot Lake and Larder River, and any future assets that the Company acquires for the following 36 months.
c) XMG has the right to purchase an additional 15% interest of the Company's Hard Rock Assets for a period of 36 months for a total of $10,000,000.
d) XMG receives a call option to purchase up to 10,000,000 common shares of the Company at a price of $0.65 per share for a period of 36 months.
e) XMG pays to the Company 3,000,000 common shares of XMG – 1,000,000 common shares of XMG every 5 months following the effective date. Upon XMG issuing the shares, it will have acquired the Petrolithium Brine assets and title will transfer from the Company to XMG.

   For each 1,000,000 XMG delivered to the Company, XMG will have earned 6 2/3% intent in the Hard Rock Assets. The Company received 1,000,000 XMG shares subsequent to the year end.

## Appointment of Vice President of Exploration

On September 28, 2017, the Company appointed Dr. Julie Selway, Ph.D., P.Geo. to the role of Vice President of Exploration. Dr. Selway is an expert on lithium pegmatites. Dr. Selway completed a Ph.D. thesis on Tourmaline in Granitic Pegmatites in 1999 at the University of Manitoba under the supervision of Dr. Petr Černý, a world-renowned expert on pegmatites. She has co-authored twenty-two scientific journal articles on pegmatites.

Dr. Selway worked for the Ontario Geological Survey for approximately 3 years during the tantalum boom in the early 2000's. During this time, she travelled all over Ontario and visited/worked on about 90% of the lithium pegmatites in the province. Some of the more notable localities that she worked on include Case Lake, Georgia Lake, Seymour Lake, Crescent Lake and Separation Rapids pegmatite fields. Dr. Selway worked as a senior geologist for the geological consulting firm Caracle Creek International Consulting for over 10 years.

Dr. Selway stated "I first recognized the potential of Case Lake pegmatites in the summer of 2001 when I visited the Property with the Ontario Geological Survey. Case Lake is a truly impressive property and I am thrilled to be appointed Vice President of Exploration as we continue to uncover the Property's true potential."

Johnathan More, Chairman of Power Metals, states "Dr. Selway has been in charge of all work at Case Lake since we optioned the property at the end of last year. Because of the extremely encouraging first set of core drill results we announced last week, we have both mutually agreed that the timing is right for her to take a formal role as VP of Exploration. Power Metals welcomes Julie and firmly believes that her appointment at this time of our drill program exemplifies the potential we see at Case Lake."