

POWER METALS CORP.
FORM 51-102F1
MANAGEMENT DISCUSSION AND ANALYSIS
THREE MONTHS ENDED FEBRUARY 28, 2018

This management discussion and analysis of financial position and results of operations (“MD&A”) is prepared as of April 30, 2018 and should be read in conjunction with the unaudited financial statements for the period ended February 28, 2018 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, 2017 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

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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.

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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.

In the first quarter of 2017, the Company 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 metres ("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	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

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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 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

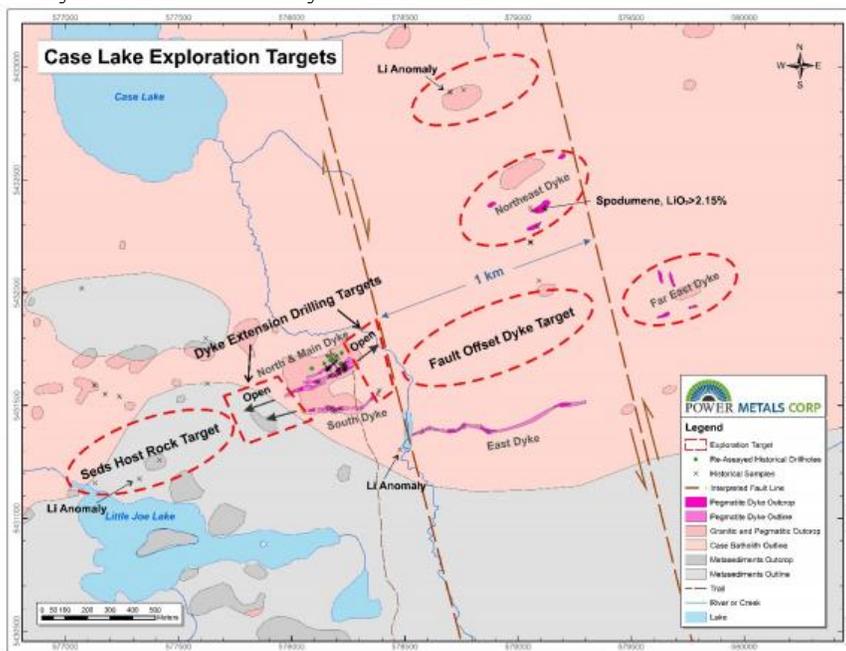


Figure 1 Case Lake Exploration Targets

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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, New 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>

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):

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- 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

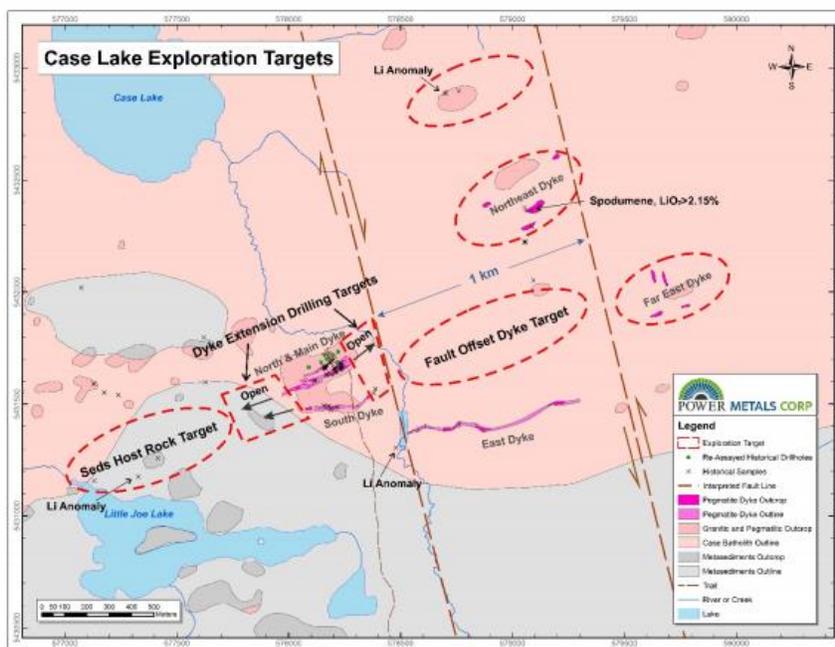


Figure 1 Case Lake Exploration Targets

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, led 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.

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- 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 supervised the staking of 22 mining claims (4800 ha) and completed a 2D data compilation on the Property in the last quarter of 2017. This data compilation led 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

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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.

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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.

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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

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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.

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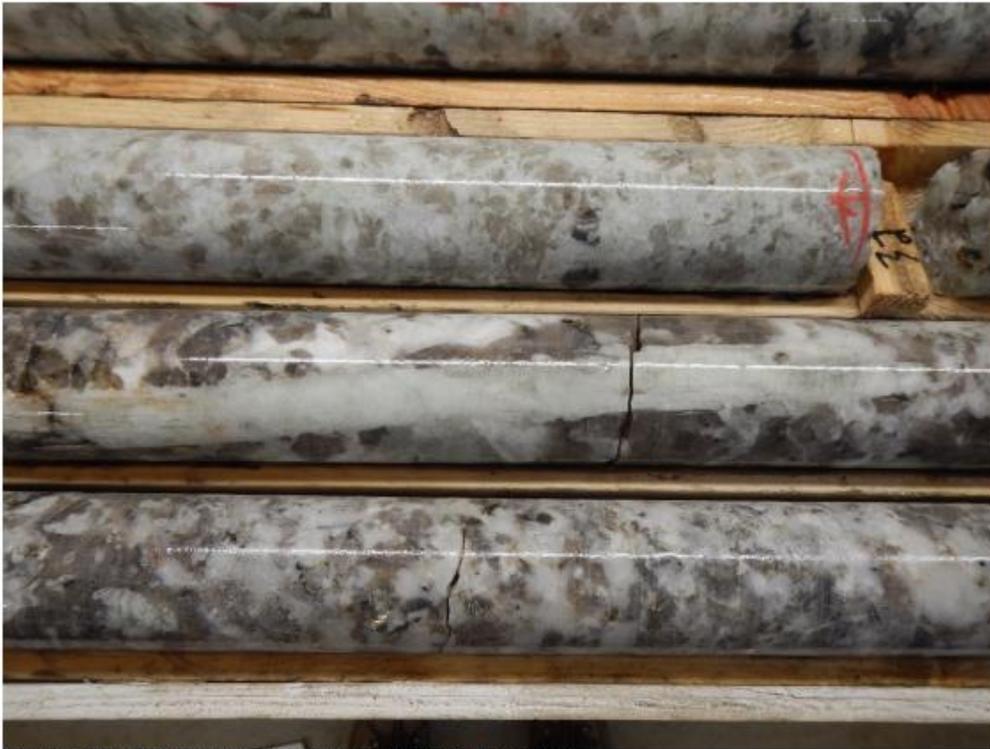


Figure 6 PWM-17-09 Main Dyke 42 cm long spodumene blade near 32 m.

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.

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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.

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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.

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

Waypoint	Sample No	Easting (m)	Northing (m)	Li ₂ O (%)	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.

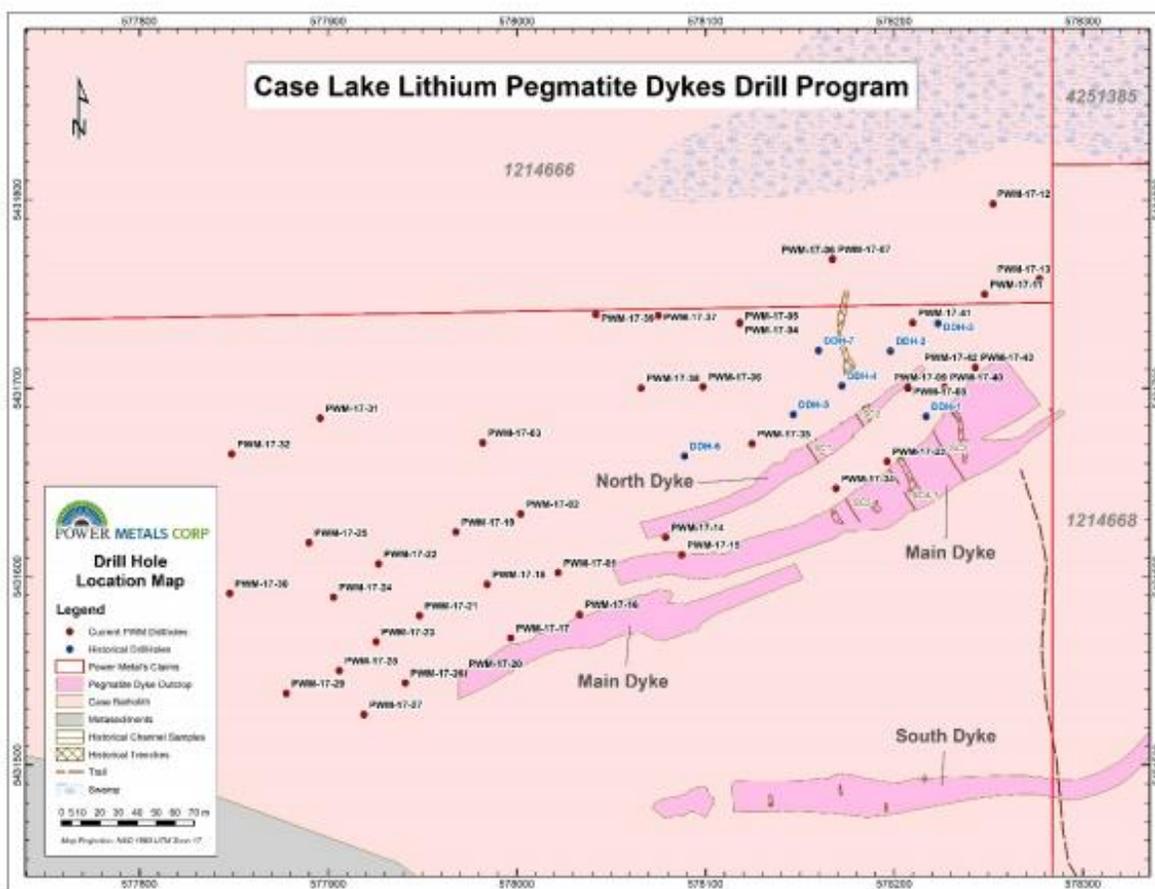


Figure 2 Case Lake drill plan map.

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

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#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 (\pm 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

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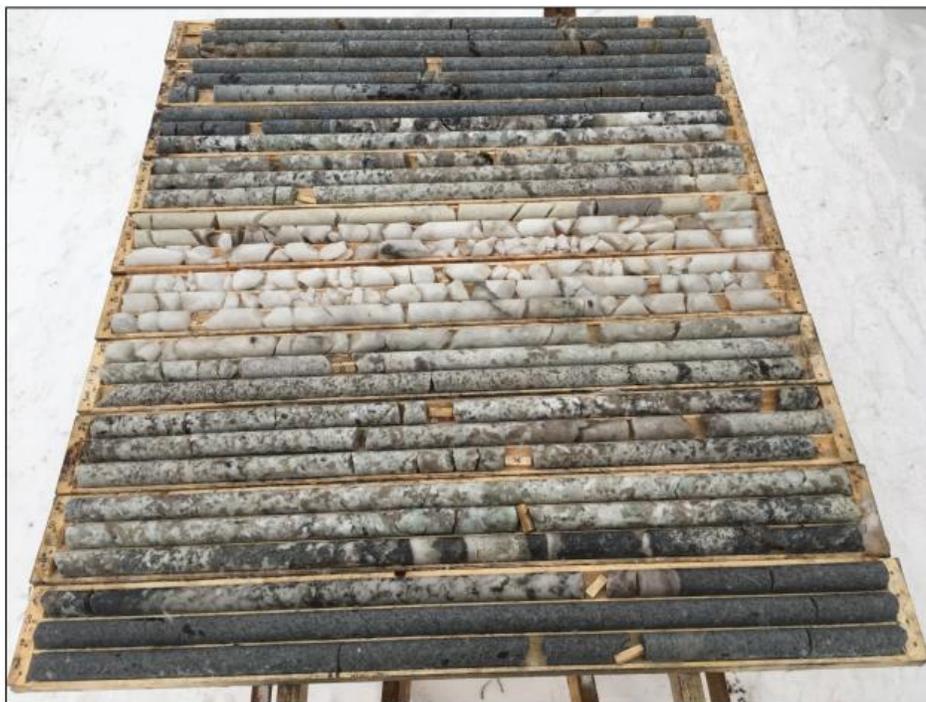


Figure 2 PWM-17-50 Main Dyke continuous pegmatite from 11.18 to 43.2 m. Note abundance of spodumene in boxes 3 and 4 and 7 to 9. Quartz core is in boxes 5 and 6.

On December 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 ₂ O (%)
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 November 13th, 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.

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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)

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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.

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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)	Li ₂ O (%) 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 2,000m to 3,000m.

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

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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 (Li_2CO_3) and/or lithium hydroxide (LiOH) from a variety of spodumene-rich ($\text{LiAlSi}_2\text{O}_6$) 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 Li_2CO_3 and/or high-purity LiOH ; (ii) high-purity CO_2 , which is consumed in forming Li_2CO_3 ; and (iii) high-purity H_2O , which is consumed in forming LiOH .
- Creates three potentially saleable high-purity products: Li_2CO_3 and/or LiOH , aluminum hydroxide, $\text{Al}(\text{OH})_3$, and amorphous silica, SiO_2 .
- 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 26 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 2 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.

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Table 1 2018 Proposed Drilling at Case Lake

Spring Targets	Area	Meterage
1	Between Main and South Dykes	3,000 m
2	Between Main and NE Dykes	3,000 m
3	West side of Main Dyke	2,000 m
	total	8,000 m

Fall Targets	Area	Meterage
4	East Dyke	2,000 m
5	Down Dip of Main Dyke	3,000 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 % Li₂O 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.

Leduc Lithium Property

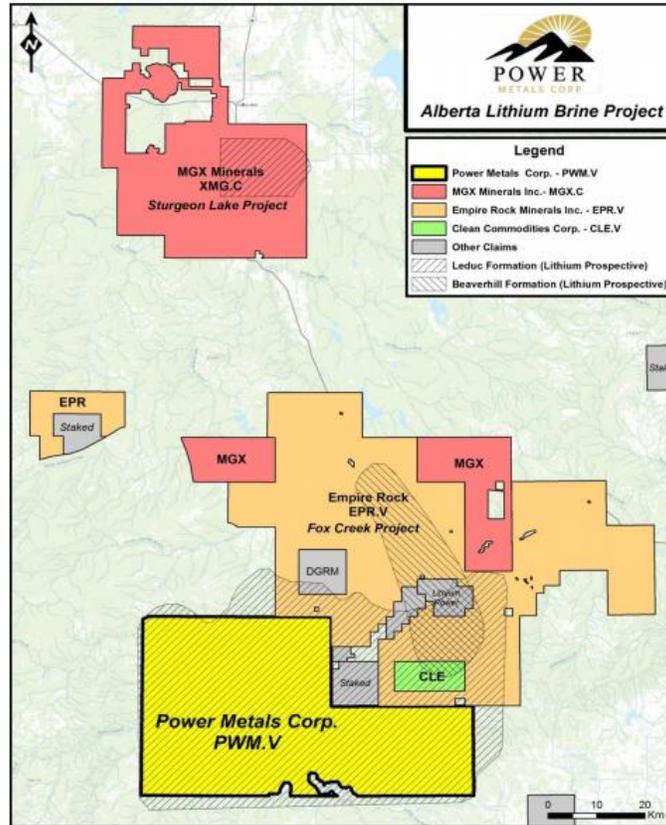
The Company executed an agreement to acquire lithium brine permit portfolios in Alberta, Canada. Consideration for the property includes the issuance of 5,000,000 shares (issued) of the Company to arm's length parties, includes twenty-three (23) Metallic and Industrial Minerals Permits granted by the 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.

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



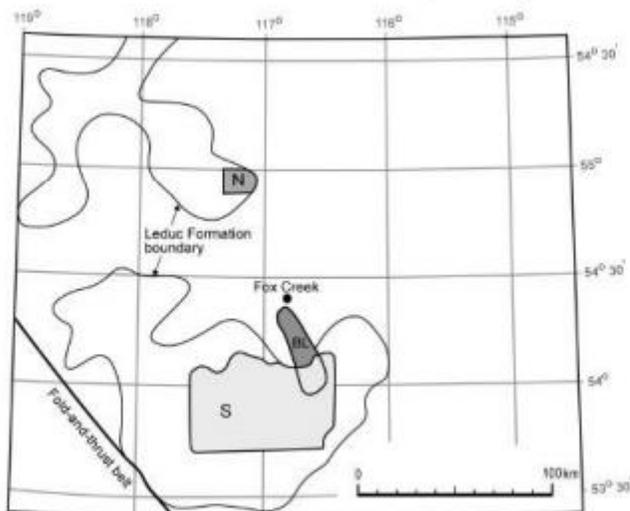
As part of its broader Alberta Lithium Brine Project, the new South Leduc Brine project area, which independently exceeds 450,000 acres, offers significant and cohesive scale and operational efficiencies, particularly when compared to small, geographically-diffused approaches. The sheer district scope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

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Figure 2 – Estimated Areas of Producing 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.

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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 Triassic 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 the Separation Lithium Property. The 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 degree 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 3, 2018, the Company announced the planning of a geological mapping program at its Separation Lake Property, (also known as Paterson Lake) located 60 km north of Kenora, Ontario. The purpose of the mapping program is to confirm the location of the known petalite pegmatite dyke outcrops and historic drill collars for a future drill program. The mapping program will also search for petalite (lithium ore mineral) in multiple other pegmatite dyke outcrops on the Property. The mapping program at Paterson Lake will run concurrently with the recently announced 15,000 m drill program at Case Lake.

The Paterson Lake Property has been underexplored. Highlights include:

- 7 named petalite pegmatite dykes on the Property and up to 50 unnamed pegmatite occurrences that require investigation
- 11 historic drill holes were drilled by Tanco on the Property, the majority of which were not assayed for lithium (Li), even though petalite was present

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- 11 historic lithochemical anomalies based on Li+Rb+Cs contents identified, but only 3 anomalies have been partially tested with individual drill holes
- 7 historic enzyme leach B-horizon soil anomalies identified, but only a few of the anomalies have been partially tested with individual drill holes

Gullwing - Tot Lake Property

On April 20, 2017, the Company announced the acquisition of the Gullwing - Tot Lake Property, prospective lithium asset, 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% Rubium("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:

- pay an aggregate of \$200,000 all over a two year period;
- issue \$300,000 worth of the Company's stock all over a two year period;
- incur \$400,000 of work on the properties all over a three year period; and
- 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 5, 2018, the Company announced the planning of a geological mapping program at its Gullwing-Tot Lakes Property, located 30km northeast of Dryden, Ontario, will commence following the recently announced Separation Lake mapping program in the coming weeks (see press release dated April 3, 2018). The purpose of the mapping program is to confirm the location of the known spodumene pegmatite dyke out crops and historic drill collars for a future drill program. This mapping program will run concurrently with the recently announced 15,000m drill program at Case Lake(see press release dated April 2, 2018).

Highlights of the Gullwing-Tot Lakes Property include:

- Property has been underexplored with limited historic drill programs not looking for lithium even though spodumene is present in the drill core.
- The Tot Lake pegmatite contains spodumene blades up to 38 cm long and make up to 78 vol% of the spodumene-rich zone.
- Tot Lake pegmatite is one of the five pollucite-bearing pegmatites in Ontario.
- Tot Lake pegmatite has three potential commodities: lithium(Li), tantalum(Ta) and pollucite(Cs).

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- Gullwing pegmatite contains two lithium minerals: spodumene and lepidolite

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 February 28, 2018, the Company had an accumulated deficit of \$27,767,159 (November 30, 2017 - \$24,551,053). 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 of \$1,152,751 at February 28, 2018 compared to working capital deficiency of \$1,451,034 at November 30, 2017.

Net cash used in operating activities for the period ended February 28, 2018 was \$1,260,890 compared to \$225,792 for the period ended February 28, 2017 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 period ended February 28, 2018 was \$444,505 compared to \$332,389 for the period ended February 28, 2017 due to expenditures on exploration properties in the current period.

Net cash provided by financing activities for the period ended February 28, 2018 was \$3,831,033 compared to \$692,329 for the period ended February 28, 2017, as a result of proceeds of \$4,200,000 from a private placement less \$363,400 in share issuance cost, \$150,00 of loan repayment, and \$144,433 from warrants exercised..

Share Capital & Reserves

During the period from December 1, 2017 to April 30, 2018, the Company:

- i) 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. The flow-through shares were valued at \$717,857 and the residual value of \$32,143 was allocated to deferred premium on flow-through shares. 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 one year. In connection with the private placement, the Company paid share issuance costs of \$45,000 in cash.

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- ii) 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 \$318,400 in cash, and granted 414,000 share purchase warrants with a fair value of \$189,914 using the Black-Scholes option pricing model assuming expected life of 2 years, a risk-free interest rate of 1.76%, a forfeiture rate of 0% an expected volatility of 111.09%, and an exercise price of \$0.70.
- iii) Issued 910,333 shares pursuant to the exercise of warrants for gross proceeds of \$136,550.
- iv) Issued 52,556 shares pursuant to the exercise of agent's warrants for gross proceeds of \$7,883 and accordingly, the Company reallocated \$12,418 of share-payment reserve to share capital.

Results of Operations

During the period ended February 28, 2018, the Company recorded a loss and comprehensive loss of \$3,216,106 (2017 - \$1,129,251). 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 period ended February 28, 2018 include the following:

- Consulting of \$150,594 (2017 - \$Nil) increased due to the higher activities during the current period.
- Filing fees of \$28,021 (2017 - \$8,964) increased due to fees incurred relating to private placements in the current period.
- Gain on settlement of accounts payable of \$38,080 (2017 - \$Nil) due to forgiveness of debt at an agreed-upon with arm's length parties.
- Management fee of \$61,444 (2017 - \$Nil) increased due to voluntary reduction in management fees by the CEO and CFO in the comparative period.
- Marketing, promotion and communication of \$524,963 (2017 - \$188,404) increased due to increased communication and marketing efforts to raise investor awareness during the current period.
- Professional fees of \$66,791 (2017 - \$10,000) increased due to general and corporate legal fees incurred during the current period.
- Share-based compensation of \$2,314,785 (2017 - \$820,045) increased due to stock options being granted in the current period.
- Travel of \$60,339 (2017 - \$Nil) increased due to more trips being taken to meetings and visits to the mineral properties during the current period.
- Write-off of exploration properties of \$Nil (2017 - \$34,771) due to write off of Coyote Project, Bromley Creek Project, and Larder River Property.

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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
February 28, 2018	\$ 7,602,367	\$ -	\$ (3,216,106)	\$ (0.04)
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)

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 assets Upper Maybelle River Property of \$406,106 and Triple M Uranium Property of \$5,383,992.

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:

<u>Financial instruments</u>	<u>Classifications</u>
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:

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Credit risk

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. As at February 28, 2017, the Company had \$185,831 (November 30, 2017 – \$106,928) receivable from government authorities in Canada and an arm's length vendor party. 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 February 28, 2018 the Company had a cash balance of \$2,159,306 (November 30, 2017 – \$33,668) to settle current liabilities of \$1,192,386 (2016 – \$1,591,630). The Company will require financing from lenders, shareholders and other investors to generate sufficient capital to 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 February 28, 2018, the Company did not hold any investments. The Company believes it has no significant interest rate risk.

(b) Foreign currency risk

As at February 28, 2018, 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.

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Related Party Balances and Transactions

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

	Nature of transactions	February 28, 2017	February 28, 2017
<u>Key management personnel:</u>			
Chairman and Director	Management	\$ 62,805	\$ -
A company controlled by CFO and Director	Management	22,000	-
A company controlled by former VP Exploration and Development	Geological and field costs		
	i)	-	8,000
VP Exploration and a company controlled by VP Exploration	Geological and field costs		
	i)	156,040	-
Total		\$ 240,845	\$ 8,000
<u>Other related parties:</u>			
A firm of which the CFO and Director was a partner	Professional	\$ -	\$ 6,000
i) Capitalized in exploration and evaluation assets.			

During the period ended February 28, 2018, the Company granted 1,000,000 stock options (2017 – 2,950,000) to an officer resulting in share-based compensation of \$701,450 (2017 - \$690,603).

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

	February 28, 2018	November 30, 2017
Due to the Chairman and Director	\$ -	\$ 23,361
Due to a company controlled by the CFO and Director	7,438	159,793
Due to a company controlled by former VP Exploration and Development	233,603	233,603
Due to a Director	13,125	13,125
Due to VP Exploration and a company controlled by VP Exploration	57,258	69,184
	\$ 311,424	\$ 499,066

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

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).

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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 period ended February 28, 2018.

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

Please refer to the unaudited condensed interim financial statements for the period ended February 28, 2018 on www.sedar.com.

Outstanding Share Data

As at April 30, 2018, the Company had the following securities issued and outstanding:

	Number	Exercise Price	Expiry Date
Common Shares	<u>96,200,815</u>		
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
	<u>414,000</u>	\$0.70	January 12, 2020
	<u>14,586,291</u>		
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
	<u>1,000,000</u>	\$0.65	March 15, 2023
	<u>9,440,015</u>		
Total diluted at April 30, 2018	<u>120,227,121</u>		