Formerly Argus Metals Corp.

MANAGEMENT'S DISCUSSION AND ANALYSIS

APRIL 30, 2018

1030 WEST GEORGIA STREET - SUITE 1507
VANCOUVER, BC V6E 2Y3

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The following is management's discussion and analysis ("MD&A") of ePower Metals Inc., formerly Argus Metals Corp., (the "Company" or "ePower"), prepared as of August 17, 2018. This MD&A should be read together with the audited financial statements for the year ended April 30, 2018 and related notes. Financial amounts are expressed in Canadian dollars unless otherwise specified.

Certain information included in this MD&A may constitute forward-looking statements. Statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements.

The Company has prepared audited financial statements for the year ending April 30, 2018 in accordance with accounting principles consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee.

This MD&A contains "forward looking statements" that are subject to risk factors set out in this MD&A.

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

THE COMPANY'S BUSINESS

ePower is engaged in the acquisition, exploration and development of mineral resource properties, primarily energy-related metals such as cobalt, manganese and copper. The Company's common shares are traded on the TSX Venture Exchange ("TSX-V") under the symbol "EPWR".

HISTORY OF THE COMPANY

The Company was incorporated on May 14, 1981 in British Columbia. In December 2017, the Company changed its name from Argus Metals Corp. to ePower Metals Inc. ePower is a reporting issuer in British Columbia and Alberta, and is a tier two issuer on the TSX-V. The Company's head office and principal place of business is located at Suite 1507 - 1030 West Georgia Street, Vancouver, BC V6E 2Y3.

BUSINESS HIGHLIGHTS

- In February 2018, the Company appointed Bruce Kienlen, P. Geo., as its VP Exploration and Nancy Curry as its VP Corporate Development.
- In June 2018, the Company awarded options to purchase up to 910,000 common shares at $0.20 per share to directors and consultants, see *Option and Warrant Activity* below.

BOARD OF DIRECTORS AND MANAGEMENT

In May 2018, Michael Kobler joined the board of directors. He has over 35 years' experience in the resource sector, specializing in identifying, acquiring, developing and producing natural resource opportunities throughout the world. This experience includes overseeing the design and construction of mining and tunnelling projects. Currently CEO and Director of American Lithium

Corp (TSX-V: LI, OTCQB: LIACF), Mr. Kobler has served in a variety of roles for early stage companies including, chairman, chief executive officer, president, technical advisor, engineer and project manager, along with being a major shareholder in a number of these ventures.

Mr. Kobler has focused his career in North and South America, which has included exploration and mine planning projects at El Pauji in Venezuela as well as mine planning and development projects for HW Mining at La Serena and El Teniente in Chile. In North America, Michael was involved in developing the mine at the Sacaton Shaft in Casa Grande, Arizona and helped develop the Amethyst Mine at Creede, Colorado for HW Mining. In 2005, Mr. Kobler was a Co-Founder and the original CEO of Osum Oil Sands Corp. ("Osum") where he oversaw the analysis and acquisitions of the original oil sands leases that form the core of Osum's projects at Cold Lake and the Saleski carbonates, both in Alberta. During his tenure with Osum, Michael oversaw the growth of the company from start-up to a valuation approaching $500 million; he also hired his successors to ensure the smooth transition of the company to its next phase of growth and an equity value approaching $2 billion.

Also in May 2018, Catalin Kilofliski has resigned as a director of ePower.

In February 2018, the Company appointed Bruce Kienlen as VP Exploration and Nancy Curry as VP Corporate Development.

Mr. Kienlen is a professional geologist with more than 20 years of experience working with junior and major exploration companies. He has served as senior geologist with Canterra Minerals and Independence Gold, VP Exploration for Diamonds North Resources and project geologist for BHP Billiton. Bruce has been responsible for project generation, new project assessments, and regional and brown fields exploration programs on many early stage exploration projects in a variety of commodities. Bruce has extensive operational and logistical experience and technical expertise in geochemical evaluation. He played a key role in the discovery of the diamondiferous Repulse Bay (Qilalugaq) and Amaruk kimberlite fields.

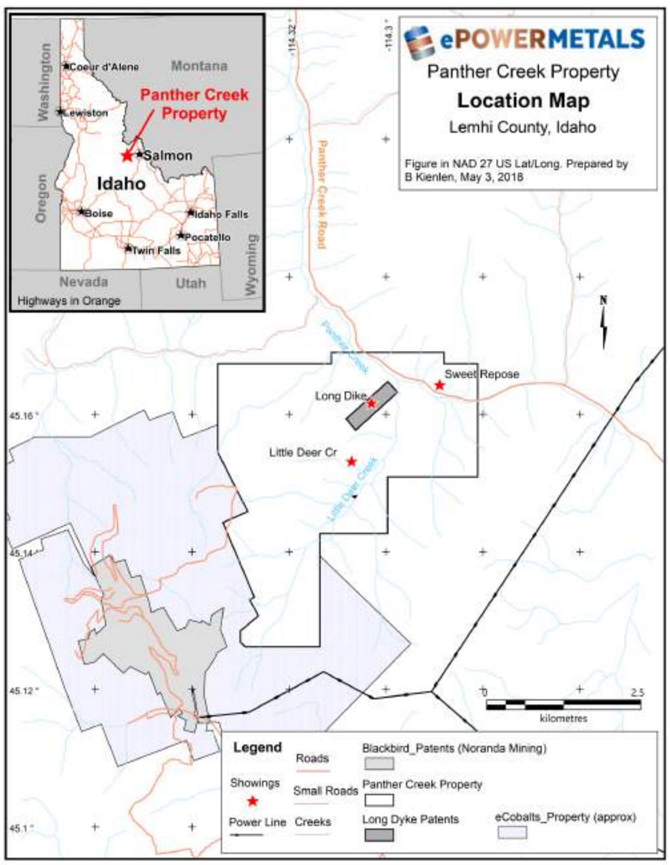
Nancy Curry brings over 25 years of financial market, strategic planning, marketing & communications and management of public company experience to ePower. Nancy began her career working in the investment industry and has worked for several national investment dealers specializing in futures trading. Her public company experience began in 1995, Nancy has worked with several resource and technology companies leading and implementing multifaceted stakeholder communications, before starting her own communications firm in 2014. One of her firm's clients was eCobalt Solutions Inc. ("eCobalt") for a period in 2015 and 2016, where she focused on strategic planning and corporate rebranding. Nancy was VP Corporate Communications for Diamonds North Resources Ltd. (2002 to 2010), where the company was nominated twice for Best Investor Relations by a TSX Venture Company by IR Magazine.

MINERAL PROPERTIES

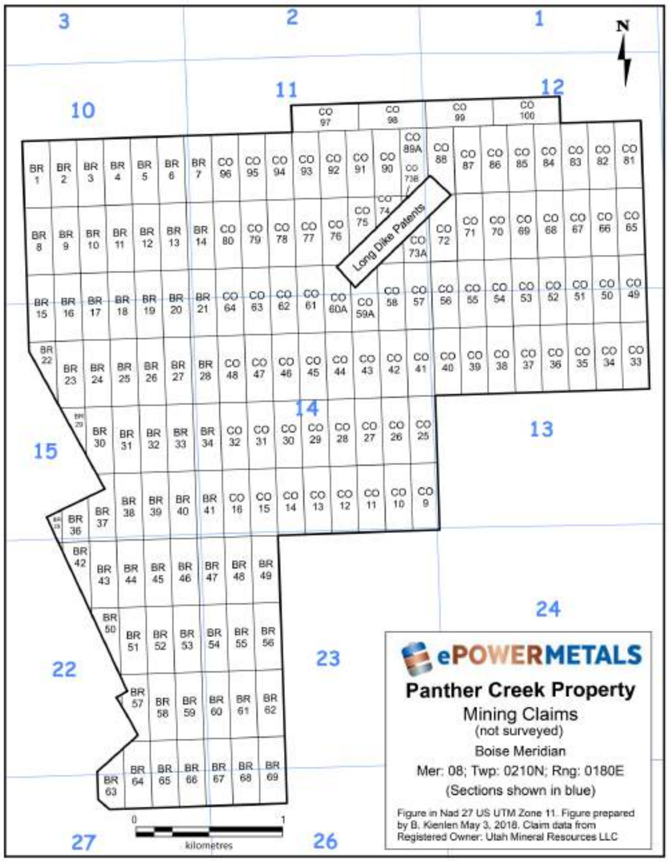
Having made the decision to focus on cobalt exploration and having acquired the Panther Creek cobalt project (see below), the Company's management has decided to step out beyond existing cobalt camps and deposits to identify new sources of cobalt to address the looming cobalt shortfall that will hinder the world's shift to greener energy management systems. ePower is applying modern geological modelling techniques to search for potentially significant cobalt deposits that have not been previously been identified. This search has taken the Company and its consultants to North and South America, Africa and South East Asia. In the process of this search the Company has reactivated its subsidiary in Barbados and founded new subsidiaries in Mexico and Suriname. To date, the Company has identified six projects and is working to secure them so that it can undertake preliminary exploration programs.

PANTHER CREEK COBALT PROJECT

In October 2017, the Company entered into a mineral property option agreement with Utah Mineral Resources LLC ("UMR" to earn up to a 100% interest in the Panther Creek Cobalt Project located in the Idaho cobalt belt, which trends northwest-southeast for nearly 37 miles in east-central Idaho.



Details of the mining claim locations are:



Option Agreement

The Company has earned a 50% interest in the property by paying US$25,000 upon signing; and paying US$150,000 and issuing 5,500,000 common shares. The Company can earn a 100% interest in the property by making additional payments and expenditures:

- paying US$150,000 (in cash or shares) and incurring at least US$75,000 of expenditures on the property by October 23, 2018;
- paying US$150,000 (in cash or shares) and incurring at least an additional US$100,000 of expenditures on the property by October 23, 2019; and
- incurring at least an additional US$200,000 of expenditures on the property by October 23, 2020.

In addition, should ePower determine that proven and probable mineral resources, (as determined in compliance with *National Instrument 43-101 ("NI 43-101")*), of at least 4,000,000 tonnes grading a minimum 0.25% cobalt, are contained within any portion of the property, on or before October 23, 2022, ePower will issue to UMR an additional 2,000,000 shares. Upon exercise of the option, UMR will retain and will be entitled to receive, a 2% NSR royalty on all product derived from the property.

As a condition precedent of closing the transaction with UMR, the Company closed a private placement to raise at least $1,000,000 (see *Private Placements* below).

Property Description

The Panther Creek Cobalt Project is located at the heart of the Idaho Cobalt Belt and comprises 153 lode mining claims totaling 3,060 acres (1,238 ha) and a 41.3-acre (16.7 ha) mining lease on private land known as the Long Dike Property. The property is road accessible and located 26 miles west of Salmon in east-central Idaho.

The property is well located and adjoins, to the northeast, the Blackbird Copper-Cobalt Mine in the Blackbird District. The Panther Creek claims are contiguous with the claims of eCobalt's claims and the Ram cobalt-copper-gold mine.

There are several historic mine workings both on the Long Dike patent claims as well as at the Sweet Repose mine which form a linear trend that ends at the historic Blackbird Mine. A historic mine adit on the property was channel sampled by US Geological Survey and returned 1.04% cobalt and 4.14% copper across 10 feet or 3.04 metres[1].

Surface sampling on the property by UMR has returned values from trace to 0.91% cobalt and 3.63% copper (GS-5), and 0.74% cobalt and 0.27% copper. The cobalt-copper mineralization is hosted in the micaceous quartzites of the Apple Creek Formation which is a similar geological setting as the historic Blackbird Mine as well as eCobalt's proposed Ram Mine.

**The grades and descriptions stated in the USGS reports and by Utah Mineral Resources LLC have not been verified by the Company, and readers are cautioned not to place undue weight on such results. The historical grades are considered relevant; however, the reliability, assumptions, parameters and methods used in preparing the reports are unknown.*

2017 Exploration Program

As part of the Company's preparations for a 2018 drill program on the Panther Creek Project, it sent 797 soil samples and 14 rock samples for assay. As noted above, the Panther Creek claims are contiguous with eCobalt's Ram deposit where a recently completed feasibility study outlined a measured and indicated resource of 3.44 million tons (3.12 million tonnes) grading 0.59% cobalt and 0.73% copper[2].

The Company 2017 exploration program included:

- Collecting 797 soil samples over an area of approximately 5.1 square kilometres.
- Undertaking soil sampling covering two areas that contain known cobalt and copper mineralization and extending along projected mineralized and structural trends. Samples

[1] USGS Open File Report 98-478

[2] http://www.ecobalt.com/project/technical-reports)

were taken on a 50 metre by 100 metre grid in areas of known mineralization and on a 100 metre by 100 metre grid in the projected mineral and structural trends,

- Performing reconnaissance mapping that confirmed the presence of widespread cobalt-copper mineralization including erythrite in stratiform and vein-type occurrences.
- Collecting 14 rock chip-channel samples at mineralized surface outcrops.

The information from these sample and mapping programs will be used to outline the trend of geologic units that host and control cobalt deposits within the Idaho cobalt belt and provide a focus for exploration in 2018.

In January 2018, the Company reported on results of its fall exploration program on the Panther Creek Project. Assays for 14 rock samples range from trace to 0.37% Co, and 0.014 to 19.3 g/T Au. 797 soil samples range from 4.7 to 355 ppm Co and have been received and highlights are reported below.

Highlights include:

- Cobalt oxide and gold in outcrop
    - 0.37% Co, 3.10 g/T Au and 1.75% Cu over 5 feet (1.5m) chip/channel sample quartzite,
    - 0.27% Co, 19.3 g/T Au and 2.4% Cu over 1feet (0.3m) in oxidized quartz vein/gossan
    - 0.23% Co, 0.22 g/T Au and 0.70% Cu over 2 feet (0.6m) in biotite rich quartzite
    - 0.002% Co, 4.15 g/t Au and 0.29 % Cu over 3 feet (0.9m) in oxide stained quartz veining
    - 0.002% Co, 5.95 g/t Au and 0.35% Cu over 3 feet (0.9m) in oxide stained quartz veining with biotite
- Delineation of two parallel soil anomalies which,
    - intersect historic working on Long Dyke and Sweet Repose and
    - trend towards the Blackbird mine to the west along the Panther Creek trend
- Reconnaissance mapping confirmed the presence of widespread cobalt-copper mineralization as well as significant gold mineralization (up to 19.3ppm Au) including erythrite in stratiform and vein-type occurrences

Soil samples were re-evaluated for gold in the winter of 2018, but the results did not demonstrate any significant soil anomalies.

2018 Exploration Program

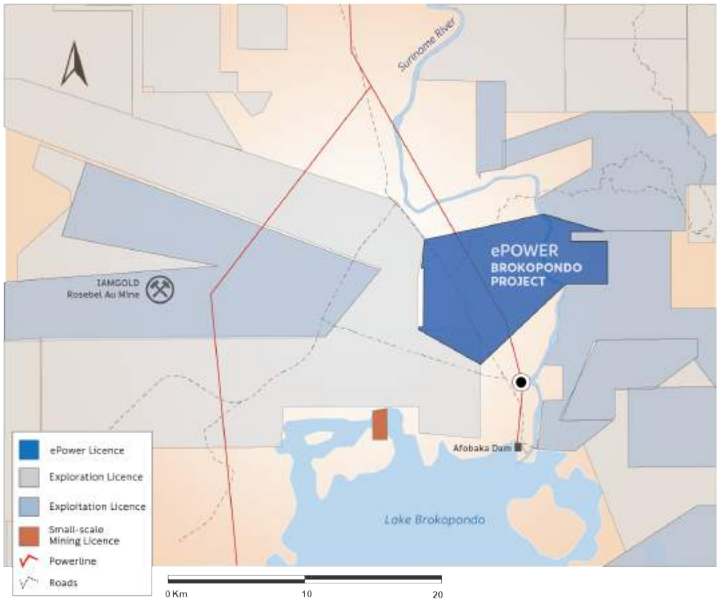
In 2018, the Company received a permit to open the Sweet Repose Adit and completed a 30-sample and structural mapping program in February, 2018. The samples were sent to MS Analytical in Langley, BC; assay results are pending. The mapping program identified two parallel cobalt-copper bearing biotite-rich shear zones which offer promising drill targets. The sampling and structural mapping program of the Long Dyke adit will be completed in the summer of 2018 pending ground conditions in the adit. Long Dyke is located on private property and does not require permitting for access, mapping and sampling.

During the summer of 2018, the Company is expanding the 2017 soil sampling survey to cover the entire property, conduct geological and structural mapping as well as rock sampling to identify discrete targets for trenching and drilling. Exploration will focus on evaluating historic workings on the Long Dike and Little Deer Creek prospects, following up highly anomalous rock and soil samples from the 2017 fall program and prospecting for previously unrecognized Au-Co-Cu mineralization. The Company is working on permitting of road reactivation with a stream crossing and drilling sites.

Bruce Kienlen, PGeo, is the Company's VP Exploration and is the qualified person for the Panther Creek Project. He has reviewed and accepted these statements.

BROKOPONDO COBALT PROPERTY

ePower Metals has acquired an approximately 8,900 ha prospecting permit in Suriname based on historic USGS reports of laterite hosted cobalt-manganese with grades of 0.5-1.5% Co, (USGS report 1993)*. The property lies 85 kilometres south of the capital of Paramaribo, a paved highway and high-tension power lines traverse Brokopondo, just north of the Afobaka Hydro dam. Historic exploration for bauxite and placer gold mining has left the project area crisscrossed by tracks and trails and well-suited for rapid exploration and development.



The Company expects to be operational and in the field imminently, the program will immediately begin with property-wide prospecting utilizing cup augers to sample on a 200-metre grid, In September and with infill drilling planned on areas that demonstrate anomalous cobalt/ manganese from the auger samples starting in mid- to late-October.

> **The grades stated in the USGS have not been verified by the Company, and readers are cautioned not to place undue weight on such results. The historical grades are considered relevant; however the reliability, assumptions, parameters and methods used in preparing the reports are unknown.*

The Company's target model is similar to cobalt/manganese deposits delineated in Cameroon. For an example, Geovic Mining Corp. has identified cobalt-manganese hosted in asbolane and/or lithiophorite minerals with a estimated Measured Mineral Resource of 59.8MT grading 0.24% Co, 1.37% Mn and 0.68% Ni, (NI43-101 report; Geovic Mining Corp. Nkamouna and Mada Deposits, June 2, 2011. *These resources are historic in nature and while we believe the resources have been completed to the standards of the day, they should not be relied upon by the reader*. These laterite deposits are formed over tropically weathered ultramafic bodies, which results in the enrichment and concentration of elements such as cobalt, nickel and manganese in the oxide facies.

Cobalt mineralization is found in concretions with manganese and nickel. These concretions are amenable to physical upgrading through screening and washing which results in a concentrate, which can be 2 to 4 times higher than run-of-mine ore. These coarse-grained concentrates can be processed through a conventional crush and vat leach process that typically is simpler and cheaper than pure clay or silicate type nickel-cobalt laterite deposits which require high pressure acid leach processing with associated complex and capital intensive technologies.

Laterite hosted cobalt-manganese deposits tend to be free digging, low arsenic sources of cobalt. The Company believes these types of deposits are amenable to a simple crush and leach process, which can be designed and built on a timeline that could address the market demand for additional cobalt supply.

Bruce Kienlen, PGeo, is VP Exploration for the Company *and is the qualified person for the Brokopondo Project.*

IKE GOLD PROJECT, YUKON

The Company owns 100% of the Ike gold project, which is located in the Selwyn Basin of Yukon. Analytical work by the Company in 2010 defined an 80 km^2 area with discrete areas of coincident anomalous arsenic and gold in regional stream sediment samples. Carbonate lithologies and an intrusive suite underlie the project area. In addition to positive reconnaissance geochemical survey results and favourable rock types, the Ike property also hosts spatially related lead-zinc showings.

Exploration has resulted in geochemically sampling portions of the large Ike property and identifying high priority geochemical gold and arsenic anomalies for follow-up programs. In specific, stream sediment geochemical surveys have confirmed anomalous Au values in creeks within the Ike sampling area as indicated by historical stream sediment data. Anomalous Au data are associated with elevated levels of As and Sb in these samples. "Ridge and spur", contour and grid soil sampling has identified areas of anomalous Au in soils in the upper catchments of streams containing anomalous Au. The soil data indicate an association with As, Sb, Bi, Pb and Zn. High-density rock sampling in one localized area of the claim group failed to identify significant Au mineralization in bedrock, but many of the samples are elevated in Sb. Overall, surficial geochemical data indicate that the central and north-central portions of the claim group appear to be most prospective for Au mineralization. The southern portion of the claim group appears more prospective for Pb and Zn mineralization. This area was previously investigated by Cypress Anvil Mining Corporation in 1981. The property has not been extensively prospected and many high priority stream sediment and soil Au anomalies remain to be investigated.

The Company fully impaired the carrying value of the Ike gold project in 2012 due to the uncertain outlook for future development of this asset. The Company executed a soil sampling exploration program in August 2016 that formed the basis of a NI 43-101 technical report that it filed in October 2016. The Company executed a soil sampling and mapping program in program in September 2017. The claims are in good standing until November 2018.

Michael Collins, PGeo is the qualified person with respect to the Ike gold project and has reviewed and accepted these statements.

SPLIT DOME COPPER PROJECT, BC

In June 2017, the Company staked certain claims located 55km north-east of Hazleton BC. In April 2018, the Company concluded that its efforts were better directed to other projects and decided to discontinue work on the Split Dome copper project. Subsequent to year end, the Company's mineral exploration rights to the property lapsed.

Michael Collins, PGeo is the qualified person with respect to the Split Dome project and has reviewed and accepted these statements.

FINANCIAL

The Company is a mineral exploration company and currently has no operating income or positive operating cash flows. The Company depends upon share issuances and property option agreements to fund its exploration activities and administrative expenses. It derives income from interest and property option proceeds. Operating losses are a consequence of general and administrative expenses exceeding investment income and option proceeds. The Company charges mineral property write-downs when mineral property assets have been impaired.

Amounts in the following discussion, other than per-share amounts, have been rounded to the nearest thousand dollars.

SELECTED ANNUAL INFORMATION

During the last three years, the Company has not recognized any revenue, had any discontinued operations, extraordinary items or declared any dividends.

	April 30		
	2018 $	2017 $	2016 $
Income (loss) for the year	(1,529,209)	(86,408)	237,112
Income (loss) per share, basic and diluted	(0.08)	(0.01)	0.03
Total assets	5,858,151	86,248	890
Long-term financial liabilities	14,789	52,356	-

QUARTERLY RESULTS

During the most recent eight quarters, the Company has not recognized any revenue, incurred any extraordinary items or had any discontinued operations.

Quarter Ended	Loss for the Period	Loss per Share Basic and Fully Diluted
	$	$
July 31, 2016	(4,941)	(0.00)
October 31, 2016	(7,252)	(0.00)
January 31, 2017	(28,906)	(0.00)
April 30, 2017	(45,309)	(0.00)
July 31, 2017	(66,537)	(0.01)
October 31, 2017	(31,361)	(0.00)
January 31, 2018	(1,068,692)	(0.04)
April 30, 2018	(362,619)	(0.01)

Significant variations in the results of operations for each quarter relate to:

- October 31, 2016 – An expense increase due to loan interest and property investigation was offset by a tax expense benefit related to a flow-through tax share offering.
- January 31, 2017 and April 30, 2017 – The Company incurred increased property investigation and professional fees as it evaluated potential targets.
- July 31, 2017 – The Company awarded options and as a result incurred share-based compensation of $55,000.
- October 31, 2017 – Expenses increased as the Company expanded its operations with the evaluation and optioning of the Panther Creek property.
- January 31, 2018 – The Company awarded options and undertook property investigation that significantly increased its operating expenses.
- April 30, 2018 – The Company expanded its office and staff to better address its exploration plan.

RESULTS OF OPERATIONS FOR THE YEAR

Administrative and Other Expenses

As the Company planned and implemented the Panther Creek transaction and related fundraising, expenses increased significantly. Operating expenses increased to $1,553,000 for the year ended April 30, 2018 from $98,000 in the comparative period. While expenses increased overall as a result of a higher level of activity, the most significant factors were share-based compensation (increase of $957,000 over fiscal 2017) and property investigation costs (an increase of $165,000) and personnel costs (an increase of $122,000). A discussion of significant expenses and other items for the year ended April 30, 2018 follows:

- Consulting services represents fees paid for corporate development and cobalt market analysis.
- Interest relates to the financing cost of loans payable and a convertible debenture.
- Investor relations expenses were incurred for news releases and communications programs, including participation at conferences. These activities increased following the expansion of the Company's exploration program and the need to communicate corporate activity to investors.
- Personnel cost represents payments to the Company's officers and bookkeeper-accountant. In the comparative period, the Company's officers had worked without compensation, but normal compensation resumed in October 2017.
- Office expense represents general administrative charges. Some general office expenses are recovered from subtenants.
- Professional fees comprise legal and audit fees in the ordinary course of business. With an increase in activity and a need for review of contracts, the Company incurred higher legal costs than in the comparative period.
- Property investigation and due diligence relates to the evaluation of potential target properties located in North and South America and Africa. In fiscal 2018, the Company was much more active than in prior periods. The Company's accounting policy is to expense all investigation and exploration costs until the Company has secured exploration rights. As a result, initial expenditures of properties that are subsequently acquired may be expensed.
- Regulatory and shareholder service costs relate to transfer agent fees, listing maintenance fees and similar costs. The expense increased in the current year particularly due to increased share issuance activity.
- Rent is for the Company's administrative. The Company increased its office space from roughly 150 square feet to 2,790 square feet effective March 1, 2018 with a commensurate increase in expense. Some of this cost was recovered from subtenants who are renting currently unused office space.
- Share-based compensation represents the fair value of stock options recognized over their vesting term, calculated using the Black-Scholes option-pricing model. The Company made two awards in the period, one in the first quarter and one in the third quarter.
- Forgiveness of debt relates to a supplier that forgave interest on a loan.
- Recovery of rent and administrative expenses partially offsets rent and office expense as described above.

- Settlement of flow-through share premium liability relates to the notional tax effect associated with the Company's flow-through share offering. It does not result in any direct cash flow to the Company.
- Impairment of exploration and evaluation assets is in respect of the Split Dome property, as described above.

RESULTS OF OPERATIONS FOR THE FOURTH QUARTER

Operating expenses for the fourth fiscal quarter were significantly higher than in the comparative period and, apart from share-based compensation, higher than in the third fiscal quarter. In the comparative period, the Company was still evaluating potential projects and was able to maintain low overhead as a result. The factors affecting fourth quarter were broadly the same as for the year, as outlined above.

Having taken on the Panther Creek property and expanded project reviews to include several other properties, the Company opened a new office, appointed a VP exploration and VP corporate development. Most of these expenses were fully implemented by the fourth quarter.

Quarter ended April 30	2018	2017
	$	$
Operating expenses		
Interest	232	5,555
Investor relations	63,147	915
Personnel	77,520	1,000
Professional fees	19,714	16,185
Property investigation and due diligence	93,762	5,754
Regulatory and shareholder services	22,458	10,212
Rent	29,507	2,100
Share-based compensation	46,050	-
Other	22,946	3,607
Loss for the period before other items	(375,336)	(45,328)

To recover some of the rent and related administration expenses, the Company rented unused office space and generated a recovery. In the fourth fiscal quarter, the Company impaired its Split Dome project and recorded a gain on settlement of debt as described above.

Quarter ended April 30	2018	2017
	$	$
Loss for the period before other items	(375,336)	(45,328)
Recovery of rent and administration expenses	19,473	-
Impairment of exploration and evaluation assets	(21,775)	-
Gain on settlement of debt	15,000	-
Other	19	19
Loss for the period	(362,619)	(45,309)

LIQUIDITY AND CAPITAL RESOURCES

At the date of this MD&A, the Company would be able to manage its cash to support operations for at least 12 months. The Company expects however that it will undertake exploration and acquisitions that will require it to raise funds within 12 months. At the date of this MD&A, the amount and timing of any such raises are not known.

At April 30, 2018, the Company had working capital of $1,158,000 including cash of $1,177,000, compared to a working capital deficiency of $153,000 at April 30, 2017. Factors affecting the Company's liquidity are:

- The Company must undertake exploration and make cash progress payments to maintain its exploration property rights.
- The Company is evaluating additional properties to acquire. If it moves ahead with these acquisitions, its expenditures will increase accordingly.
- The Company is committed to make payments under property and equipment leases totalling $321,000 through fiscal 2023.

The Company will likely need to raise additional funds to fully develop its mineral properties. There can be no assurance that the Company will succeed in obtaining additional financing, now or in the future. Failure to raise financing on a timely basis could cause the Company to forfeit or sell its interests in its properties or be delisted from the TSX-V.

RELATED PARTY TRANSACTIONS

The Company does not have any contractual remuneration obligations to related parties other than to pay its VP exploration a monthly salary of $12,500 and. The contracts provide for a short notice period.

In fiscal 2018, ePower paid $8,160 to a company controlled by the Company's CFO for his and related secretarial services.

As noted above, in May 2018, Michael Kobler, the CEO of American Lithium Corp., was appointed as a director of the Company. The Company leases office space to American Lithium Corp. for $3,347 per month on a month-to-month basis.

During the period, the Company had loans due to the Company's CEO and CFO. The loans were partially converted to common shares (see *Debt Settlement* below) and the residual balances repaid in December 2017. The loans paid interest at an annual rate of 12%.

The Company owed $60,000 plus accrued interest under a secured convertible debenture payable to a company related to the chairman of the board. In December 2017, the debenture holder exercised its right to convert the debenture principal to 400,000 common shares.

In May 2018, the Company agreed to transfer certain mineral rights to Electric Metals Inc. ("EVX"), a company in which Fred Tejada, a director of ePower, is an officer and director. The Company had only incurred nominal costs and the mineral property did not fit with the Company's current business plan. Furthermore, the Company would need to incur significant costs to maintain its property rights. In the event that the transferor successfully obtains exploration rights to the property, the Company will transfer its rights to EVX for consideration of US$20,000 and a 1% net smelter royalty, which royalty may be acquired by EVX at any time for US$1,000,000.

All related party transactions have been recorded at the exchange amount, which is the amount of consideration agreed to between the parties.

FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

The Company's financial instruments consist of cash, receivables, and accounts payable and accrued liabilities and lease liability. The carrying value of all the Company's financial instruments approximates their fair value except for cash. The fair value of cash is measured using level 1 inputs. It is management's opinion that the Company is not exposed to significant interest or credit risks arising from these financial instruments.

The Company's activities expose it to a variety of financial risks, of which the primary risk is liquidity risk. The Company does not have a practice of trading derivatives.

The Company manages liquidity risk by attempting to maintain adequate cash balances. If necessary, the Company may raise funds through the issuance of debt, equity or sale of non-core assets. The Company ensures that there is sufficient capital to meet its obligations by continuously monitoring and reviewing actual and forecasted cash flows, and matching the maturity profile of financial assets to development, capital and operating needs.

CHANGES TO EQUITY

PRIVATE PLACEMENTS

July 2017 Private Placement

In July 2017, the Company closed a non-brokered private placement, issuing 1,638,000 units at $0.10 per unit and 302,981 flow-through common shares at $0.12 per share, for gross proceeds of $200,158. Each unit consisted of one common share and one-half common share purchase warrant with each whole warrant exercisable to acquire one common share of the Company at $0.15 until July 2019. The Company paid finders' fees of $1,925 in cash and issued 35,000 common shares and finder's warrants to acquire up to 54,250 common shares at a price of $0.15 per common share until July 2019. Proceeds raised will be used to continue exploration on the Split Dome and Ike projects, general working capital and project generation.

Cobalt Exploration Private Placements

In October 2017, the Company announced a non-brokered private placement to raise at least $1,000,000 as part of the Panther Creek transaction with UMR. The Company issued 10,000,000 units at $0.10 per unit for gross proceeds of $1,000,000, with each unit consisting of one common share and one-half share purchase warrant exercisable at $0.30 until December 7, 2019.

In November 2017, the Company announced a secondary non-brokered private placement which resulted in the issuance of 5,000,000 units at $0.20 per unit for gross proceeds of $1,000,000. Each unit consisted of one common share and one-half common share purchase warrant with each whole warrant exercisable to acquire one common share of the Company at $0.45 until December 7, 2019. In connection with the secondary private placement, the Company paid finders' fees of $37,240 in cash and issued 186,200 finder's warrants to acquire up to 186,200 common shares at an exercise price of $0.45 per share until December 2019.

The private placements closed in December 2017 with a use of proceeds comprising (i) financing the initial cash payments and exploration expenditures required under the Company's option to acquire an interest in the Panther Creek Cobalt Property; (ii) investigating other cobalt-related opportunities; and (iii) for general working capital purposes.

CONVERTIBLE DEBENTURE

In March 2017, the Company borrowed $60,000 under a secured convertible debenture issued to a related party (see *Related Party Transactions* above). The debenture was due in March 2020 and bore interest at 8% calculated and payable semi-annually. In December 2017, the debenture holder elected to convert the debenture resulting in the issuance of 400,000 common shares.

DEBT SETTLEMENT

In May 2017, the Company settled debt of $100,000 owed to its CEO through the issuance of 1,000,000 common shares at a deemed price of $0.10 per share. The actual share price on the date that the shares were issued was $0.085 resulting in a gain on settlement of $15,000. The debt related to funds advanced to the Company and fees paid on behalf of the Company. The TSX-V approved the issuance of the shares and in accordance with securities laws, the shares are subject to a hold period of four months and one day from the date of completion of the debt settlement.

The debt settlement is a "related party transaction" as defined under Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* ("MI 61-101"). However, the debt settlement is exempt from the formal valuation and minority shareholder approval requirements of MI 61-101.

OPTION AND WARRANT ACTIVITY

In May 2017, the Company granted incentive stock options to directors, officers, employees and consultants to purchase up to 890,000 shares. The options have an exercise price of $0.10 and are exercisable until May 2020.

In July 2017, the Company issued warrants to purchase up to 819,000 common shares and finder's warrants to purchase up to 54,250 common shares at $0.15 per share as part of a private placement.

In December 2017, the Company issued warrants to purchase up to 5,000,000 common shares at $0.30 per share and up to 2,500,000 common shares at $0.45 per share as part of the unit offering private placements described above. The Company also issued finder's warrants to acquire up to 186,200 common shares at an exercise price of $0.45 per share.

In December 2017, the Company granted of incentive stock options to directors, officers, employees and consultants of the Company to purchase up to an aggregate of 2,225,000 common shares at a price of $0.68 per share until December 2020.

Between December 2017 and April 2018, option holders exercised options to acquire 850,000 common shares at $0.10 per share. In December 2017, warrant holders exercised warrants to acquire 163,375 common shares at $0.15 per share. In February 2018, a warrant holder, who is chairman of the board of directors, exercised warrants to acquire 37,500 common shares at $0.15 per share.

In June 2018, the Company granted incentive stock options to directors and consultants to purchase up to 910,000 shares. The options have an exercise price of $0.20 and are exercisable until May 2020.

In July 2018, an option holder exercised 40,000 options at $0.10 per share.

SHARE ISSUANCES

In May 2017, the Company issued 1,000,000 common shares on the settlement of debt with the Company's CEO. See *Debt Settlement* above.

In December 2017, the Company issued 400,000 common shares on the conversion of a convertible security (see *Convertible Debenture* above).

In December 2017, the Company issued 10,000,000 common shares pursuant to a private placement at $0.10 per share and 5,000,000 common shares pursuant to a private placement at $0.20 per share (see *Private Placements* above)

In December 2017, the Company issued 5,500,000 common shares as part of the consideration to earn a 50% interest in Panther Creek (see *Panther Creek Cobalt Project* above).

Between December 2017 and April 2018, the Company issued 1,050,875 common shares on the exercise of stock options and share purchase warrants as described in *Option and Warrant Activity* above.

Subsequent to year end, the Company issued 40,000 common shares on the exercise of options at $0.10 per share.

OUTSTANDING SHARE DATA

The Company has one class of authorized capital, being an unlimited number of common shares without par value. At the date of this MD&A, the Company has:

- A total of 33,968,423 common shares outstanding.
- Warrants to purchase up to 8,492,825 common shares.
- Options to purchase up to 2,910,000 common shares.

The maximum number of common shares that are potentially issuable is 45,351,248.

RISKS AND UNCERTAINTIES

Mineral exploration is inherently speculative in nature, is intensely competitive, and carries high risks. There can be no certainty that money invested in exploration and development will result in the discovery of a commercial ore body. Metal prices are commodity prices that are set in open auction markets and, accordingly, can be extremely volatile.

The Company has limited financial resources and no source of recurring income with which to cushion financial setbacks. If the Company is successful in discovering a commercial deposit at one of its properties, it will require additional funds for development, and there is no certainty that those funds will be forthcoming. Failure to obtain funding could adversely affect the ability of the Company to maintain its properties.

CORPORATE GOVERNANCE

For the board of directors to be assured that an accurate record of what has happened in the Company, and that what has happened was correctly entered into with the appropriate due diligence and legal and accounting records, the Company has put in place internal controls to enhance compliance and the reliability of financial reporting. These internal control and governance procedures have been documented in a code under which the board of directors, its committees, the officers of the Company and its employees and contractors are required to operate.

Management believes that the Company's accounting systems, staffing, policies and procedures are appropriate to the size and nature of the Company's operations. Management oversight and approval of transactions and disbursements limits the scope for inappropriate transactions and a qualified audit committee oversees the Company's financial reporting.

The board of directors has two standing committees to which management reports. The audit committee receives the quarterly financial statements prepared by management and reviews them, reviews the contributing procedures and controls of the Company and reviews the engagement of the Company's auditor. The compensation committee approves management salaries and expenses. Corporate governance is treated as a matter for the board as a whole. The board meets quarterly, more or less, as required.

OUTLOOK

The outlook for tier two TSX-V listed exploration companies is currently very volatile and ePower is subject to general market trends. The Company intends to continue developing the Panther Creek project and to continue to seek other cobalt opportunities in the near term.

On behalf of the board of directors,

"*Michael Collins*"

Michael Collins

President and Director

August 17, 2018

CORPORATE DIRECTORY

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SHARE LISTING
TSX Venture Exchange
Trading Symbol: EPWR

CAPITALIZATION
Common shares
Authorized: unlimited
Issued: 33,968,423