



Formerly Argus Metals Corp.

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**JULY 31, 2018**

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## **ePower Metals Inc.**

*Formerly Argus Metals Corp.*

Management's Discussion and Analysis

Period Ended July 31, 2018

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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 September 28, 2018. This MD&A should be read together with the unaudited condensed interim financial statements for the three months ended July 31, 2018 and 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 unaudited condensed interim financial statements for the period ending July 31, 2018 in accordance with IAS 34 – Interim Financial Reporting and 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](http://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. The Company has wholly owned subsidiaries in the United States, Suriname, Mexico and Barbados.

### **BUSINESS HIGHLIGHTS**

- In June and September 2018, the Company awarded options to purchase up to 950,000 common shares at an average of \$0.20 per share to directors, officers and consultants, see *Option and Warrant Activity* below.
- In September 2018, the Company purchased the Connel Creek Cobalt project in British Columbia. See *Connel Creek Cobalt Property* below.

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### **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.

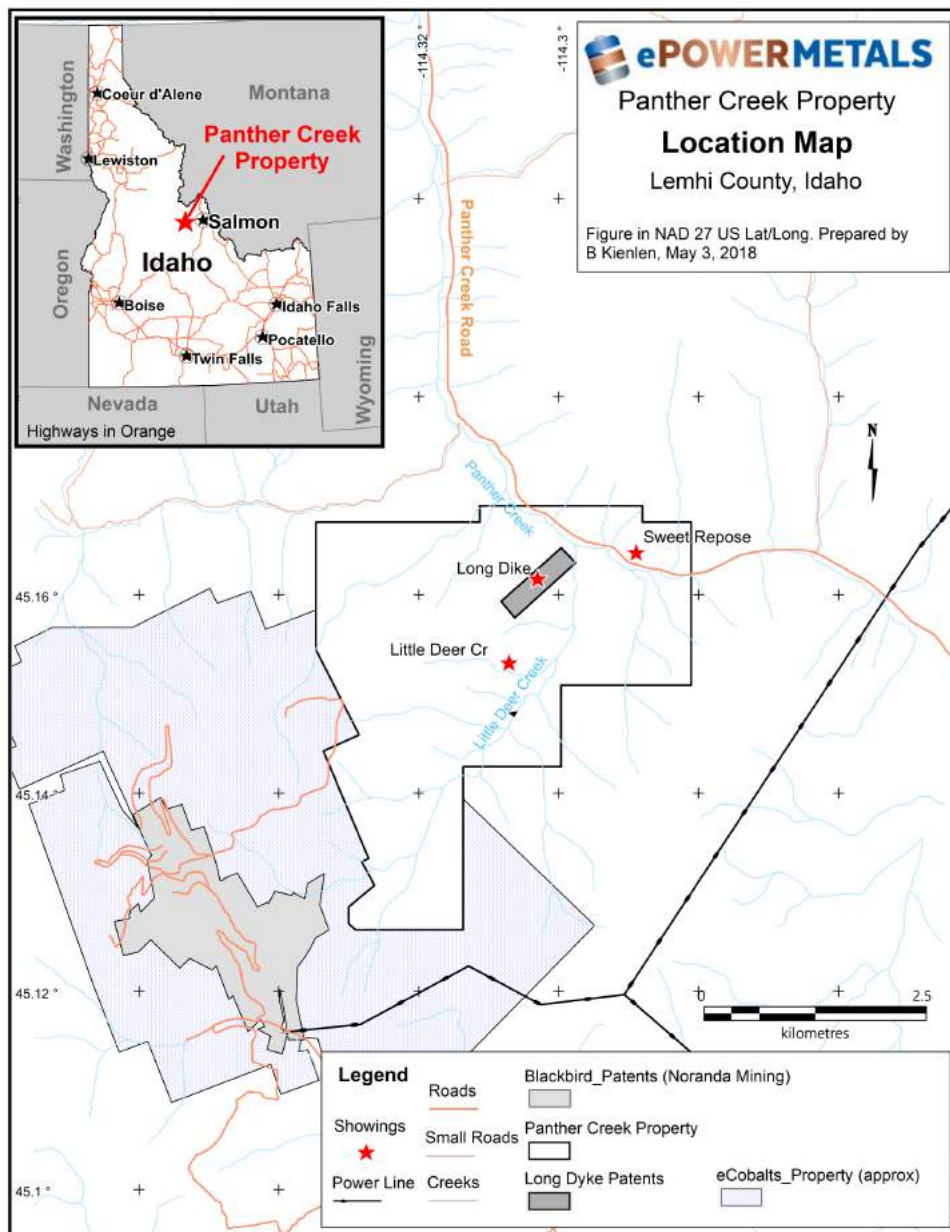
Also in May 2018, Catalin Kilofliski resigned as a director of ePower.

### **MINERAL PROPERTIES**

Having made the decision to focus on cobalt exploration, the Company plans 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 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 the United States, Mexico and Suriname. In addition to the projects listed below, the Company has identified seven other potential projects and is working to secure them so that it can undertake preliminary exploration programs.

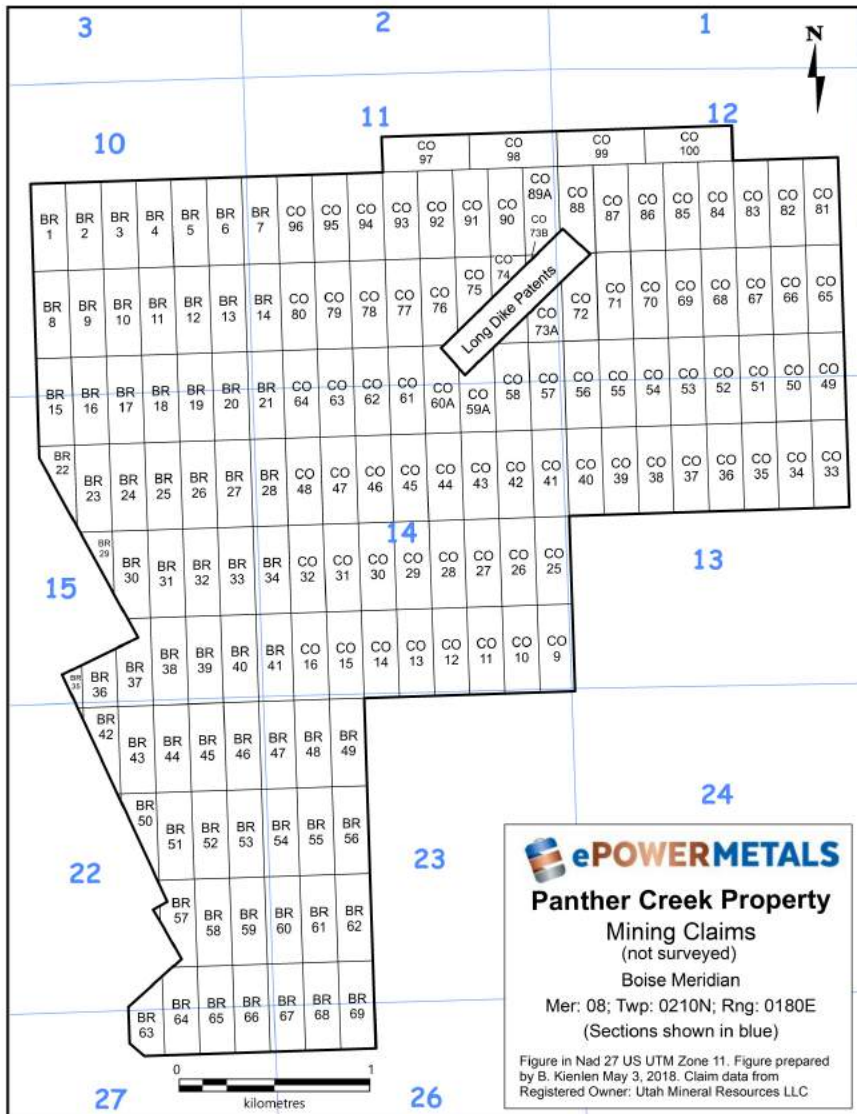
#### ***PANTHER CREEK COBALT PROJECT***

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 ("Panther Creek Project") located in the Idaho cobalt belt, which trends northwest-southeast for nearly 37 miles in east-central Idaho.



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Details of the mining claim locations are:



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### *Option Agreement*

The Company has earned a 50% interest in the Panther Creek Project 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.

The Company has met the 2018 expenditure threshold and expects to make the October 2018 option payment.

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.

### *Property Description*

The Panther Creek 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 Project 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 3.0 metres<sup>1</sup>.

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*

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<sup>1</sup> USGS Open File Report 98-478

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*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<sup>2</sup>.

The Company's 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 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 including assays for 14 rock samples ranging 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,

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<sup>2</sup> <http://www.ecobalt.com/project/technical-reports>



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- 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 mapping program identified two parallel cobalt-copper bearing biotite-rich shear zones which offer promising drill targets. The Company intended to undertake sampling and structural mapping program of the Long Dyke adit in the summer of 2018, but ground conditions were unfavourable and the work could not be completed. Long Dyke is located on private property and does not require permitting for access, mapping or sampling.

During the summer of 2018, the Company expanded 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 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 Brokopondo property is not considered a "material property" as of the date of this MD&A, and no technical report with has been prepared.

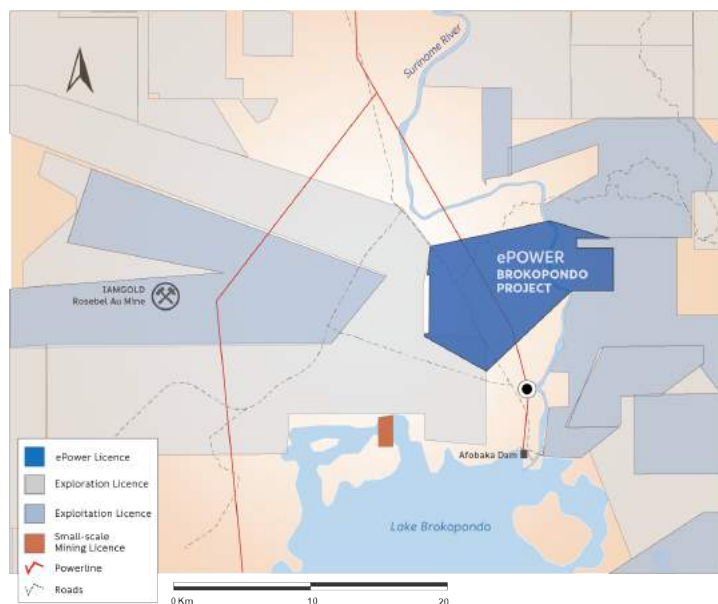
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The Company currently has crews working in the field. The program is starting with property-wide prospecting utilizing cup augers to sample on a 200-metre grid and with infill drilling planned on areas that demonstrate anomalous cobalt/ manganese from 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 or

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lithiophorite minerals with an 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.

*\*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.*

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

### **CONNEL CREEK COBALT PROPERTY**

The Connel Creek property covers a historic 400m x 200m Co-Ni-As in soil anomaly detected in the late 1990s during regional gold exploration. The property lies near the headwaters of Connel Creek and the soil anomaly is supported by regional geochemical samples from the BC Geological Survey (GeoFile 2017-11). The property is underlain by rocks of the Cayoosh assemblage, which also hosts the Bralorne gold deposit. The property lies proximal to the Cadwallader Fault and serpentized ultramafic rocks of the Bridge River Complex. The property is considered prospective for high grade Co-Au mineralization similar to the historic Little Gem deposit.

The Connel Creek project is bordered to the west and south by the Cobalt One Claim package which is now owned by Blackstone Minerals Limited, (Blackstone). Blackstone owns claims over distance 40km in close relation to the Caderwaller Fault including both the Little Gem and Jewel cobalt claims to the north west of the Bralorne Mine.

The property is located in the Lillooet Mining Division, 41 km west of the town of Lillooet, BC, and 47 km Northeast of Pemberton, BC. The property has no road access, but dry weather roads are

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as close as 8km east within Cadwallader Creek and the Bridge River Road along the north shore of Anderson Lake, 9 km to the south.

Recent results from Blackstone Minerals Limited Little Gem project include assays from drilling including:

LGD17-001R

1.1 m @ 3.0% Co and 44 g/t Au;  
within 4.3 m @ 1.0% Co and 15 g/t Au,  
Historic Underground channel samples:  
1.8 m @ 4.4% Co & 73 g/t Au;  
and 2.0 m @ 3.1% Co & 76 g/t Au.  
Historic Surface channel sampling:  
0.4 m @ 5.7% Co & 1,574 g/t Au;

*\*The results obtained by Blackstone at the Little Gem project have not been verified by the Company and may not be reproducible by the Company on the Connel Creek project.*

*Bruce Kienlen, P.Geo., is Vice President of Exploration for the Company and is the qualified person for ePower Metals Inc. for the Connel Creek Cobalt Project.*

### **IKE GOLD PROJECT**

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<sup>2</sup> 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

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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**

In June 2017, the Company staked certain claims located 55km north-east of Hazelton 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. In June 2018, 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.

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### 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
	\$	\$
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)
July 31, 2018	(440,297)	(0.01)

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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.
- July 31, 2018 – The Company awarded options and incurred share-based compensation of \$139,250 as a result.

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### **RESULTS OF OPERATIONS FOR THE PERIOD**

#### *Administrative and Other Expenses*

As the Company increased activity, primarily as a result of the Panther Creek transaction, expenses increased significantly. Operating expenses increased to \$463,000 for the quarter ended July 31, 2018 from \$67,000 in the comparative period. Expenses increased overall as a result of a higher level of activity. This was primarily reflected in share-based compensation (increase of \$89,000 over the comparative period), property investigation costs (increase of \$86,000) and personnel costs (increase of \$138,000). A discussion of significant expenses and other items for the period ended July 31, 2018 follows:

- Interest relates to an equipment lease in the current period and loans payable and a convertible debenture in the comparative period.
- 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. The Company has been much more active than in the comparative period. 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 office. 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 awarded 910,000 options in June 2018.

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- Recovery of rent and administrative expenses partially offsets rent and office expense as described above.

### ***CHANGES IN FINANCIAL POSITION***

The principal changes in the Company's financial position since April 30, 2018 relate to the expenditure of cash on normal course operations and the purchase of equipment.

### ***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 July 31, 2018, the Company had working capital of \$748,000 including cash of \$781,000, compared to working capital of \$1,158,000 at April 30, 2018. 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 \$300,000 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. The contracts provide for a short notice period.

In the year to date, ePower paid \$5,360 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.

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



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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**

#### ***OPTION AND WARRANT ACTIVITY***

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.

In September 2018, a consultant forfeited 100,000 options exercisable at \$0.20 and the Company awarded options to purchase up to 40,000 common shares at \$0.21 per share until September 2020.

In August 2018, warrant holders exercised 25,000 warrants at \$0.15 per share.

#### ***SHARE ISSUANCES***

In August 2018, the Company issued 40,000 common shares on the exercise of options at \$0.10 per share and 25,000 common shares on the exercise of warrants at \$0.15 per share.

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*Formerly Argus Metals Corp.*

Management's Discussion and Analysis

Period Ended July 31, 2018

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### **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 33,993,423 common shares outstanding and has committed to issue a further 25,000 common shares as purchase consideration for the Connel Creek property..
- Warrants to purchase up to 8,467,825 common shares.
- Options to purchase up to 2,850,000 common shares.

The maximum number of common shares that are potentially issuable is 45,336,248.

### **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.

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### **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

September 28, 2018

## **CORPORATE DIRECTORY**

### **CORPORATE OFFICES**

1030 West Georgia Street - Suite 1507  
Vancouver BC V6E 2Y3  
Tel. (604) 428-6128  
[www.ePowermetalscorp.com](http://www.ePowermetalscorp.com)  
[info@ePowermetalscorp.com](mailto:info@ePowermetalscorp.com)

### **DIRECTORS**

J. Michael W. Collins, P.Ge.  
Alan C. Savage, P.Ge.  
Fred Tejada  
Michael Kobler  
Dr. Gregg C. Bruce

### **OFFICERS**

J. Michael W. Collins, P.Ge. President, CEO  
Simon Anderson, CPA, CA CFO  
Louie Deligianis, Corporate Secretary  
Bruce Kienlen, P. Geo, VP Exploration  
Nancy Curry, VP Corporate Development

### **TRANSFER AGENT**

Computershare Trust Company of Canada  
510 Burrard Street 2nd Floor  
Vancouver, BC

### **SOLICITORS**

Owen Bird  
2900 – 595 Burrard Street  
Vancouver BC

### **BANKERS**

Bank of Montreal  
First Bank Tower  
595 Burrard Street  
Vancouver, BC

### **AUDITORS**

Davidson & Company LLP  
1200 – 609 Granville Street  
Vancouver, BC

### **SHARE LISTING**

TSX Venture Exchange  
Trading Symbol: EPWR

### **CAPITALIZATION**

Common shares  
Authorized: unlimited  
Issued: 33,993,423