

Powermax Minerals Inc.

**Condensed Interim Financial Statements
For the Three and Six Months Ended November 30, 2024
(Expressed in Canadian Dollars)
(Unaudited)**

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed interim financial statements, they must be accompanied by a notice indicating that the condensed interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of Powermax Minerals Inc. have been prepared by and are the responsibility of management. These condensed interim financial statements for the three and six months ended November 30, 2024, have not been reviewed or audited by the Company's independent auditors. All amounts are stated in Canadian Dollars unless otherwise stated.

POWERMAX MINERALS INC.
Condensed Interim Statements of Financial Position
(Expressed in Canadian Dollars)

	November 30, 2024	May 31, 2024
Assets		
Current		
Cash	\$ 348,021	\$ 474,190
Receivables	15,675	10,682
Prepaid expenses (note 8)	-	5,000
Deferred financing costs	39,737	11,088
	\$ 403,433	\$ 500,960
Liabilities and Shareholders' Equity		
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 35,774	\$ 35,889
Shareholders' Equity		
Share Capital (note 5)	429,239	429,239
Subscriptions Received (note 6)	-	253,300
Reserves (note 6)	253,400	-
Deficit	(314,980)	(217,468)
	367,659	465,071
Total Liabilities and Shareholders' Equity	\$ 403,433	\$ 500,960

Nature of operations and going concern (note 1)
Subsequent events (note 12)

Approved on behalf of the Board:

"Michael Malana" (signed)
Director

"Afzaal Pirzada" (signed)
Director

The accompanying notes are an integral part of these condensed interim financial statements.

POWERMAX MINERALS INC.
Condensed Interim Statement of Comprehensive Loss
(Expressed in Canadian Dollars)
(Unaudited)

	Three Months Ended November 30, 2024		Three Months Ended November 30, 2023		Six Months Ended November 30, 2024		Six Months Ended November 30, 2023	
Operating expenses								
Accounting and audit fees	\$	13,661	\$	-	\$	20,661	\$	-
Consulting fees		100		-		787		-
Exploration and evaluation costs (note 4)		-		119,963		-		119,963
Interest and bank charges		1,447		125		2,122		224
Legal fees		18,817		2,943		18,817		2,943
Management fees (note 7)		15,000		15,000		30,000		15,000
Rent and service agreement		4,500		-		9,000		-
Transfer agent and filing fees		2,903		-		16,125		-
Net loss and comprehensive loss for the period								
	\$	(56,428)	\$	(138,031)	\$	(97,512)	\$	(138,130)
Basic and diluted loss per share								
	\$	(0.00)	\$	(0.01)	\$	(0.01)	\$	(0.00)
Weighted average number of common shares outstanding								
		15,950,000		11,500,000		15,950,000		10,789,617

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POWERMAX MINERALS INC.
Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)
(Unaudited)

	<u>Common Shares</u>					Total Shareholders' Equity
	Number of shares	Amount	Subscriptions Received	Reserves	Deficit	
		\$	\$	\$	\$	\$
Balance, May 31, 2023	1,500,000	7,500	50,000	-	(4,826)	52,674
Private placements	10,000,000	200,000	(50,000)	-	-	150,000
Share issuance costs	-	(761)	-	-	-	(761)
Subscriptions received	-	-	207,500	-	-	207,500
Net loss for the period	-	-	-	-	(138,130)	(138,130)
Balance, November 30, 2023	11,500,000	206,739	207,500	-	(142,956)	271,283
Balance, May 31, 2024	15,950,000	429,239	253,300	-	(217,468)	465,071
Subscriptions received	-	-	100	-	-	100
Special warrants issued	-	-	(253,400)	253,400	-	-
Net loss for the period	-	-	-	-	(97,512)	(97,512)
Balance, November 30, 2024	15,950,000	429,239	-	253,400	(314,980)	367,659

The accompanying notes are an integral part of these condensed interim financial statements.

POWERMAX MINERALS INC.
Statements of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited)

	Six Months Ended November 30, 2024	Six Months Ended November 30, 2023
Cash Provided by (Used In)		
Operating Activities		
Net loss for the period	\$ (97,512)	\$ (138,130)
Change in non-cash working capital balances:		
Receivables	(4,993)	(6,903)
Prepaid expenses	5,000	-
Deferred financing costs	(28,649)	-
Accounts payable and accrued liabilities	(115)	142,319
Cash Used in Operating Activities	(126,269)	(2,714)
Financing Activities		
Proceeds on issuance of shares	-	200,000
Share issuance costs	-	(761)
Subscriptions received	(253,300)	157,500
Reserves	253,400	-
Cash Provided by Financing Activities	100	356,739
(Outflow) Inflow of Cash	(126,169)	354,025
Cash, Beginning of Period	474,190	56,986
Cash, End of Period	\$ 348,021	\$ 411,011
Supplemental cash flow information		
Interest paid	\$ -	\$ -
Taxes paid	\$ -	\$ -

The accompanying notes are an integral part of these condensed interim financial statements.

POWERMAX MINERALS INC.

Notes to the Condensed Interim Financial Statements For the Three and Six Months Ended November 30, 2024 (Expressed in Canadian Dollars) (Unaudited)

1. NATURE OF OPERATIONS AND GOING CONCERN

Powermax Minerals Inc. (the “Company”) was incorporated under the *BC Business Corporations Act* on June 7, 2022. The principal business of the Company is the acquisition, exploration and evaluation of resource properties. The Company’s registered and records office address is 6th Floor, 905 West Pender Street, Vancouver, BC, V6C 1L6. Its principal place of business is 600 – 625 Howe Street, Vancouver, BC, V6C 2T6.

These condensed interim financial statements have been 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. During the six-month period ended November 30, 2024, the Company incurred a net loss of \$97,512, compared to the six-month period ended November 30, 2023 net loss of \$138,130, and at present, the Company has no current operating income. Without additional financing, the Company may not be able to fund its ongoing operations and complete development activities. The Company intends to finance its future requirements through equity issuance. There is no assurance that the Company will be able to obtain such financings or obtain them on favorable terms. These uncertainties may cast significant doubt on the Company’s ability to continue as a going concern. The Company will need to raise sufficient working capital to maintain operations. These financial statements do not include any adjustments related to the recoverability of assets and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

On September 23, 2024, the Company received conditional approval from the Canadian Securities Exchange (the “CSE”) for the listing of its common shares on the CSE. On December 3, 2024 (the “Receipt Date”), the Company obtained a receipt for its final long form prospectus (the “Prospectus”) from the British Columbia Securities Commission, Alberta Securities Commission, and Ontario Securities Commission. The Prospectus qualified the distribution of 2,534,000 common shares and 2,534,000 common share purchase warrants of the Company. On December 13, 2024 (the “Listing Date”), the Company’s common shares began trading on the CSE under the symbol “PMAX” (see note 11).

2. BASIS OF PRESENTATION

(a) Statement of compliance

These condensed interim financial statements have been prepared in accordance with International Accounting Standards (“IAS”) 34, Interim Financial Reporting, using the accounting policies consistent with IFRS Accounting Standards (“IFRS”) as issued by the International Accounting Standards Board.

These condensed interim financial statements should be read in conjunction with the most recently issued annual financial statements of the Company, which include information necessary or useful to understanding the Company’s operations, financial performance, and financial statement presentation. In preparing these condensed interim financial statements, the material accounting policies and the significant estimates and judgments made by management in applying the Company’s material accounting policies and key sources of estimation uncertainty were the same as those that applied to the Company’s audited financial statements for the year ended May 31, 2024.

These financial statements are presented in Canadian dollars, which is the Company’s functional currency.

The accompanying notes are an integral part of these condensed interim financial statements.

POWERMAX MINERALS INC.
Notes to the Condensed Interim Financial Statements
For the Three and Six Months Ended November 30, 2024
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2. BASIS OF PRESENTATION (Continued)

(b) Basis of presentation

These condensed interim financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value. In addition, these condensed interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information

(c) Approval of the financial statements

These financial statements were authorized for issue by the Audit Committee and Board of Directors on January 21, 2025.

3. MATERIAL ACCOUNTING POLICIES

The preparation of these condensed interim financial statements is based on accounting principles and practices consistent with those used in the preparation of the Company's audited financial statements for the year ended May 31, 2024, unless otherwise indicated.

There are no new IFRS standards issued, but not yet effective, that may affect the condensed interim financial statements of the Company.

4. MINERAL PROPERTY

Cameron REE Property, British Columbia, Canada

On July 15, 2023, the Company entered into an option agreement with a private company whose principal is a director of the Company ("Optionor"), to acquire a 100% interest in the Cameron REE Property by paying consideration of \$80,000 in cash, agreeing to incur at least \$515,000 in expenditures on the Cameron REE Property, and issuing 200,000 Shares to the Optionor. This consideration will be paid as follows:

- Within three months of the agreement, the Company must incur expenditures of \$75,000 (completed);
- On or before the first anniversary of the date upon which the Company's shares are listed for trading on any stock exchange in Canada (the "Listing Date"), the Company must issue 100,000 shares to the Optionor and incur additional expenditures of \$110,000;
- On or before the second anniversary of the Listing Date, the Company will issue 100,000 shares to the Optionor, pay \$30,000 in cash and incur additional expenditures of \$130,000; and
- On or before the third anniversary of the Listing Date, the Company will pay \$50,000 in cash and incur additional expenditures of \$200,000.

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4. MINERAL PROPERTY (Continued)

Cameron REE Property, British Columbia, Canada (Continued)

During the six-month period ended November 30, 2024, the Company incurred \$nil (2023-\$119,963) of exploration and evaluation costs on the Cameron REE Property:

	Six Months Ended	
	November 30, 2024	November 30, 2023
Field work and travel	\$ -	\$ 52,732
Project management	-	2,700
Accommodations and food	-	11,376
Salaries and consultants	-	19,361
Rock assays	-	6,755
Soil analysis and reporting	-	27,039
Total exploration and evaluation costs	\$ -	\$ 119,963

5. SHARE CAPITAL

(a) Authorized
 Unlimited number of common shares without par value.

(b) Issued and outstanding

15,950,000 common shares without par value

(i) On June 28, 2023, the Company completed a non-brokered private placement financing raising aggregate gross proceeds of \$200,000 by the issuance of 10,000,000 common shares at a price of \$0.02 per share.

(ii) On December 29, 2023, the Company completed a non-brokered private placement of 4,450,000 units of the Company at a purchase price of \$0.05 per unit for aggregate gross proceeds of \$222,500. Each unit consists of one common share and one transferable common share purchase warrant at a price of \$0.10 per share for a period of 24 months from the date in which the Company's common shares begin trading on a Canadian stock exchange.

In connection with the private placements above, the Company incurred \$761 in share issuance costs.

6. SPECIAL WARRANTS

The Company closed the first tranche of the special warrant private placement on June 12, 2024 and issued an aggregate of 930,000 special warrants. The Company closed the second tranche of the special warrant private placement on September 16, 2024 and issued an aggregate of 1,604,000 special warrants. The Company received \$253,400 in subscription funds related to this private placement. Each special warrant entitles the holder to acquire, without further payment, one unit. Each unit is comprised of one common share ("SW Share") and one common share purchase warrant ("SW Warrant") where each SW Warrant is exercisable into one common share (a "Warrant Share") at an exercise price of \$0.20 for two (2) years from the Listing Date.

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6. SPECIAL WARRANTS (Continued)

Each special warrant automatically converted on December 6, 2024, the date that is the third business day after the Receipt Date (see note 12).

7. WARRANTS

During the six months ended November 30, 2024, there were no changes to the warrants of the Company:

	Number of Warrants	Exercise Price
Balance, November 30, 2024 and May 31, 2024	4,450,000	\$0.10

As at November 30, 2024, the following warrants were outstanding:

Expiry date	Number of Warrants	Exercise Price
December 29, 2025	4,450,000	\$0.10

8. RELATED PARTY TRANSACTIONS

Key management personnel include persons having the authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Board of Directors and corporate officers.

During the six months ended November 30, 2024, the Company paid \$12,000 (2023 - \$nil) in management fees to the Chief Financial Officer ("CFO"); and paid \$18,000 (2023 - \$nil) in management fees to the Chief Executive Officer ("CEO") of the Company.

As at November 30, 2024, the Company had prepaid management fees of \$nil (May 31, 2024 - \$5,000) to the CFO and CEO. As at November 30 and May 31, 2024, the Company did not have any accounts payable and accrued liabilities to companies controlled by the key management personnel.

9. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant credit, liquidity or market risk arising from these financial instruments.

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk for the Company is associated with its cash. The Company is not exposed to significant credit risk as its cash is placed with a major Canadian financial institution.

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9. FINANCIAL INSTRUMENTS (Continued)

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

As at November 30, 2024, the Company has cash of \$348,021 (May 31, 2024 - \$474,190) available to apply against short-term business requirements and current liabilities of \$35,774 (May 31, 2024 - \$35,889). All of the liabilities presented as accounts payable and accrued liabilities are due within 90 days of November 30, 2024. The Company relies upon equity financings to satisfy its capital requirements and will continue to depend heavily upon equity capital to finance its activities. There can be no assurance the Company will be able to obtain required financing in the future on acceptable terms.

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: foreign currency risk, interest rate risk and other price risk. The Company is not exposed to significant market risk.

10. CAPITAL MANAGEMENT

The Company has just commenced operations. It has not yet determined whether it will be successful in its endeavours and does not generate cash flows from operations. The Company's primary source of funds comes from the issuance of common shares.

The Company does not use other sources of financing that require fixed payments of interest and principal due to lack of cash flow from current operations and is not subject to any externally imposed capital requirements.

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

The Company defines its capital as shareholders' equity. Capital requirements are driven by the Company's general operations. To effectively manage the Company's capital requirements, the Company monitors expenses and overhead to ensure costs and commitments are being paid. The Company did not change its approach to capital management during the six months ended November 30, 2024.

11. SEGMENTED INFORMATION

The Company operates in one business segment being the exploration and development of resource properties. All assets of the Company are located in Canada.

12. EVENTS AFTER THE REPORTING DATE

On December 3, 2024 (the "Receipt Date"), the Company obtained a receipt for its final long form prospectus (the "Prospectus") from the British Columbia Securities Commission, Alberta Securities Commission, and Ontario Securities Commission.

The accompanying notes are an integral part of these condensed interim financial statements.

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Notes to the Condensed Interim Financial Statements
For the Three and Six Months Ended November 30, 2024
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(Unaudited)

12. EVENTS AFTER THE REPORTING DATE (Continued)

The Prospectus qualified the distribution of 2,534,000 common shares and 2,534,000 common share purchase warrants of the Company. On December 13, 2024 (the "Listing Date"), the Company's common shares began trading on the CSE under the symbol "PMAX" (see note 1).

On December 6, 2024, the date that is the third business day after the Receipt Date, 2,534,000 special warrants converted into 2,534,000 SW shares and 2,534,000 SW warrants (see note 6).

The accompanying notes are an integral part of these condensed interim financial statements.