POWERMAX MINERALS INC.

Management's Discussion and Analysis
For the Three and Six Months Ended November 30, 2024
Prepared as of January 21, 2025

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The following management's discussion and analysis ("MD&A") has been prepared by management. The following discussion of performance, financial condition and future prospects should be read in conjunction with the audited financial statements for the year ended May 31, 2024 and the unaudited condensed interim financial statements for the three and six months ended November 30, 2024 of Powermax Minerals Inc. ("Powermax" or the "Company") and notes thereto. The information provided herein supplements but does not form part of the financial statements. This discussion covers the three and six months ended November 30, 2024 and the subsequent period up to the date of issue of this MD&A. Unless otherwise noted, all dollar amounts are stated in Canadian dollars.

The Company's audited financial statements for the year ended May 31, 2024 have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board. The unaudited condensed interim financial statements for the three and six months ended November 30, 2024 were prepared in accordance with International Accounting Standards ("IAS") 34 Interim Financial Reporting using accounting policies consistent with IFRS.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of the Company's common shares; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) if it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

This MD&A is intended to help the reader understand Powermax, its operations, financial performance, current and future business environment and opportunities and risks facing the Company. Certain statements in this report incorporate forward looking information and readers are advised to review the cautionary note regarding such statements in Appendix 1 of this MD&A.

Description of Business and Overview

Powermax Minerals Inc. 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.

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 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 Company's common shares began trading on the CSE under the symbol "PMAX".

The Company has not commenced commercial operations. 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 its development activities. The Company intends to finance its future requirements through a combination of debt and/or equity issuance. There is no assurance that the Company will be able to obtain such financings or obtain them on favourable 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.

General Development of the Business

In July 2023, the Company entered into an option agreement with Geomap Exploration Inc., whose principal, Afzaal Ahmed Pirzada (a related party) is a director of the Company to acquire a 100% interest in the Cameron REE Property, located in British Columbia, by paying consideration of $80,000 in cash, issuing 200,000 shares and agreeing to incur at least $515,000 in expenditures on the Cameron REE Property. 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 and incur additional expenditures of $110,000;
- On or before the second anniversary of the Listing Date, the Company will issue 100,000 shares, 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.

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**

QUALIFIED PERSONS

Kristian Whitehead, P.Geo, is the Qualified Person for the Company.

Trends

There are significant uncertainties regarding the prices of precious and base metals and the availability of equity financing for the purposes of mineral exploration and development. For instance, the prices of gold, silver and other minerals have fluctuated widely in recent years and wide fluctuations may continue. Management is not aware of any trends, commitments, events or uncertainties that could reasonably be expected to have a material adverse effect on the Company's business, financial condition or results of operations.

Financial Results of Operations

Selected Financial Information

The following selected financial data is derived from the financial statements prepared in accordance with IFRS:

	Quarter Ended Nov 30, 2024	Quarter Ended Aug 31, 2024	Quarter Ended May 31, 2024	Quarter Ended Feb 29, 2024	Quarter Ended Nov 30, 2023	Quarter Ended Aug 31, 2023	Period from incorporation on June 7, 2022 to May 31, 2023
Cash	$348,021	$405,333	$474,190	$421,572	$411,011	$239,387	$56,986
Total assets	$403,433	$459,259	$500,960	$430,222	$418,092	$239,591	$57,164
Shares outstanding	15,950,000	15,950,000	15,950,000	15,950,000	11,500,000	11,500,000	1,500,000
Net loss	$56,428	$41,084	$37,412	$37,100	$138,031	$99	$4,826
Loss per common share (basic and diluted)	$0.00	$0.00	$0.00	$0.00	$0.01	$0.00	$0.00

The net loss for the quarter ended November 30, 2024 was mainly a result of management fees of $15,000; audit fees of $13,661; legal fees of $18,817; rent of $4,500 and filing fees of $2,903 related to the Company.

The net loss for the quarter ended August 31, 2024 was mainly a result of management fees of $15,000; audit fees of $7,000; consulting fees of $687; rent of $4,500 and filing fees of $30,757 related to the Company.

The increase in cash for the quarter ended May 31, 2024 was a result of receiving $215,400 in subscription funds. The net loss for the quarter ended May 31, 2024 was mainly a result of management fees of $15,000; audit fees of $12,500; consulting fees of $2,493 and filing fees of $5,750 related to the Company.

The increase in cash for the quarter ended February 29, 2024 was a result of receiving $37,900 in subscription funds and completing non-brokered private placement financings raising aggregate gross proceeds of $222,500 by the issuance of 4,450,000 units at $0.05 per unit. The net loss for the quarter ended February 29, 2024 was mainly a result of management fees of $15,000; audit fees of $5,000; consulting fees of $11,509 and legal fees of $5,347 related to the Company.

The increase in cash for the quarter ended November 30, 2023 was a result of receiving $207,500 in subscription funds related to a non-brokered private placement financings raising aggregate gross proceeds of $222,500 by the issuance of 4,450,000 units at $0.05 per unit that was completed subsequent to November 30, 2023. The net loss for the quarter ended November 30, 2023 was mainly a result of management fees of $15,000 and legal fees of $1,750 related to the Company.

The increase in cash for the quarter ended August 31, 2023 was a result of completing non-brokered private placement financings raising aggregate gross proceeds of $200,000 by the issuance of 10,000,000 common shares at $0.02 per share. The net loss for the quarter ended August 31, 2023 was mainly a result of bank fees of $99 related to the Company.

The increase in cash for the 358-day period ended May 31, 2023 was a result of completing non-brokered private placement financings raising aggregate gross proceeds of $7,500 by the issuance of 1,500,000 common shares at $0.005 per share in connection with the founders and incorporation of the Company, and receiving $50,000 in share subscription funds in connection with a private placement completed subsequent to period end. The net loss for the 358-day period ended May 31, 2023 was mainly a result of legal fees of $4,312 related to the incorporation of the Company.

Results of Operations

Three months ended November 30, 2024 and 2023

The Company incurred a net loss of $56,428 for the three months ended November 30, 2024 compared to a net loss of $138,031 for the comparable period in 2023. The loss in 2023 can be attributed mainly to exploration and evaluation costs, legal fees, management fees, and rent.

For the three months ended November 30, 2024, the Company incurred accounting and audit fees of $13,661 (2023 - $Nil). Costs incurred in 2023 were for year-end audit and quarter review.

For the three months ended November 30, 2024, the Company incurred consulting fees of $100 (2023 - $Nil). The increase of $100 in consulting fees was related to advisory services related to financing.

For the three months ended November 30, 2024, the Company incurred $Nil in exploration and evaluation costs compared to $119,963 for the comparable period in 2023. Costs incurred in 2023 were for the exploration and evaluation costs of the Cameron REE Property.

For the three months ended November 30, 2024, the Company incurred legal fees of $18,817 compared to $2,943 for the comparable period in 2023. The increase of $15,874 in 2024 was a result of services provided and for the private placement financing fees during the year.

For the three months ended November 30, 2024, the Company incurred management fees of $15,000 (2023 - $15,000). The management fees are for the CEO and the CFO of the Company.

For the three months ended November 30, 2024, the Company incurred rent expense of $4,500 compared to $Nil for the comparable period in 2023.

For the three months ended November 30, 2024, the Company incurred transfer agent and filing fees of $2,903 (2023 - $16,125).

Six months ended November 30, 2024 and 2023

The Company incurred a net loss of $97,12 for the six months ended November 30, 2024 compared to a net loss of $138,130 for the comparable period in 2023. The loss in 2023 can be attributed mainly to exploration and evaluation costs, legal fees, management fees, and rent.

For the six months ended November 30, 2024, the Company incurred accounting and audit fees of $20,661 (2023 - $Nil). Costs incurred in 2024 were for the audit of the year ended May 31, 2024.

For the six months ended November 30, 2024, the Company incurred consulting fees of $787 (2023 - $Nil). The increase of $787 in consulting fees was related to advisory services related to financing.

For the six months ended November 30, 2024, the Company incurred $Nil in exploration and evaluation costs compared to $119,963 for the comparable period in 2023. Costs incurred in 2023 were for the exploration and evaluation costs of the Cameron REE Property.

For the six months ended November 30, 2024, the Company incurred legal fees of $18,817 compared to $2,943 for the comparable period in 2023. The increase of $15,874 in 2023 was a result services provided and for the private placement financing fees during the year.

For the six months ended November 30, 2024, the Company incurred management fees of $30,000 compared to $15,000 for the comparable period in 2023. The increase was mainly due to the addition of management fees for the CEO and the CFO of the Company.

For the six months ended November 30, 2024, the Company incurred rent expense of $9,000 compared to $Nil for the comparable period in 2023.

For the six months ended November 30, 2024, the Company incurred transfer agent and filing fees of $16,125 (2023 - $Nil).

Liquidity and Capital Resources

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements.

At November 30, 2024, the Company had working capital(1) of $327,922 (May 31, 2024 - $465,071) which included cash of $348,021 (May 31, 2024 - $474,190) available to meet short-term business requirements and liabilities of $35,744 (May 31, 2024 - $35,889). The Company's accounts payable and accrued liabilities have contractual maturities of less than 90 days and are subject to normal trade terms. The Company has no long-term debt.

(1) Non-GAAP Financial Measure:
The Company uses "working capital" to assess liquidity and general financial strength and is calculated as current assets less current liabilities. Working capital does not have any standardized meaning prescribed by IFRS and is referred to as a "Non-GAAP Financial Measure." It is unlikely for Non-GAAP Financial Measures to be comparable to similar measures presented by other companies. Working capital is calculated as current assets (November 30, 2024 - $403,433; May 31, 2024 - $500,960), less current liabilities (November 30, 2024 - $35,774; May 31, 2024 - $35,889).

On June 12, 2024, the Company completed the first tranche of a non-brokered private placement financing raising aggregate gross proceeds of $93,000 by the issuance of 930,000 of 2,534,000 special warrants at $0.10 per special warrant. On September 16, 2024, the Company completed the second tranche of a non-brokered private placement financing raising aggregate gross proceeds of $160,400 by the issuance of 1,604,000 of 2,534,000 special warrants at $0.10 per special warrant. Each special warrant will be convertible at any time following closing of the private placement without payment of any additional consideration into one unit of the Company. Each unit will be comprised of one common share of the Company and one share purchase warrant of the Company, with each warrant exercisable into one common share at an exercise price of $0.20 for two (2) years from the date the Company's shares commence trading on the Canadian Securities Exchange. The Company received $253,400 in subscription funds related to this private placement.

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. 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. Each special warrant automatically converted on December 6, 2024, the date that is the third business day after the Receipt Date (see note 11).

At present, the Company has no current operating income. Without additional future financing, the Company may not be able to fund its ongoing operations and complete future development activities including Phase I of the exploration program. The Company intends to finance its future requirements through a combination of debt and/or equity issuance. There is no assurance that the Company will be able to obtain such financings or obtain them on favourable terms.

Outstanding Share Data

As at the date of this report, the Company had 18,568,000 issued and outstanding common shares and 6,900,000 share purchase warrants.

Off-Balance Sheet Arrangements

There are no off-balance sheet arrangements.

Transactions with Related Parties

The Company's related parties consist of key management personnel and companies owned directly or indirectly by key management personnel.

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 executive and non-executive 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.

Accounting Policies and Estimates

The Company's material accounting policies are disclosed in note 3 of the Company's audited financial statements for the year ended May 31, 2024.

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may vary from these estimates. In preparing this MD&A, management has made significant assumptions regarding the circumstances and timing of the transactions contemplated therein, which could result in a material adjustment to the carrying amount of certain assets and liabilities if changes to the assumptions are made.

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.

The Company's financial assets and financial liabilities are classified and measured as follows:

Financial instrument	Category
Cash	Fair value through profit or loss
Accounts payable and accrued liabilities	Amortized cost

The carrying value of accounts payable and accrued liabilities approximates its fair value due to the short-term maturity of the financial instrument.

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

(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.

(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. 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.

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.

Management's responsibility for financial statements

The information provided in this report, including the financial statements is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgements and have been properly reflected in the accompanying financial statements.

On behalf of Management and the Board of Directors,

"Michael Malana"
Chief Executive Officer, President and Director

APPENDIX 1

Cautionary Note Regarding Forward-Looking Statements

This MD&A contains “forward-looking statements”. Forward-looking statements reflect the Company’s current views with respect to future events, are based on information currently available to the Company and are subject to certain risks, uncertainties, and assumptions, including those discussed elsewhere in this MD&A. Forward-looking statements include, but are not limited to, statements with respect to the success of mining exploration work, title disputes or claims, environmental risks, unanticipated reclamation expenses, the estimation of mineral reserves and resources and capital expenditures. In certain cases, forward-looking statements can be identified by the use of words such as “intends”, “plans”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “anticipates” or “does not anticipate”, or “believes”, or various of such words and phrases or state certain actions, events or results “may”, “could”, “would”, “might” or “will be taken”, “occur” or “be achieved”. Forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors which may cause the actual results, performance or achievements expressed or implied by the forward-looking statements to differ. Such factors include, among others, risks related to actual results of current exploration activities, changes in project parameters as plans are refined over time, the future price of gold and other precious or base metals, possible variations in minerals resources, grade or recovery rates, accidents, labour disputes, title disputes and other risks of the mining industry, fluctuation of currency exchange rates, delays in obtaining, or inability to obtain, required governmental approvals or financing or in the completion of development or construction activities, claims limitations on insurance coverage, as well as other factors discussed under “Risk Factors”. Although the Company has attempted to identify material factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking statements contained in this MD&A are made as of the date of this MD&A. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The Company does not assume the obligations to update forward-looking statements, except as required by applicable law.