

POWERMAX MINERALS INC.

**Management's Discussion and Analysis
For the Year Ended May 31, 2025
Prepared as of September 10, 2025**

Management's Discussion and Analysis

For the Year Ended May 31, 2025 Prepared as of September 10, 2025

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, 2025 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 year ended May 31, 2025 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, 2025 have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board.

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

CAMERON REE PROPERTY

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 rare earth elements (“REE”) property (the “Cameron REE Property”), located in the Kamloops Mining Division of 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 (completed);
- 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 year ended May 31, 2025, the Company incurred \$115,075 (2024-\$119,963) of exploration and evaluation costs on the Cameron REE Property:

	Year Ended	
	May 31, 2025	May 31, 2024
Field work and travel	\$ 56,925	\$ 52,732
Project management	2,400	2,700
Accommodations and food	-	11,376
Salaries and consultants	55,750	19,361
Rock assays	-	6,755
Soil analysis and reporting	-	27,039
Total exploration and evaluation costs	\$ 115,075	\$ 119,963

Phase One Program

During the year ended May 31, 2025, the Company completed its phase one exploration program (the “Phase One Program”) and incurred \$115,075 of exploration and evaluation costs on the Cameron REE Property.

The Phase One Program design was based on recommendations outlined in the Company’s NI 43-101 Technical Report on the Cameron REE Property and comprised prospecting, geological mapping, soil and rock sampling and geophysical surveys.

Highlights of the Phase One Program included:

- follow-up prospecting, mapping, and sampling in zones of elevated radioactivity and REE concentrations previously identified in historical and 2023 exploration;
- collection of a total of 105 grab and chip rock samples and 13 sediment samples;
- expansion of geophysical grid surveys to define the extent of previously identified exploration targets;
- systematic sampling of parallel radiometric anomalies and high-radioactivity zones delineated in 2023 airborne surveys, particularly in the eastern and western regions of the Property;
- representative sampling of all dominant rock types to help determine geological controls on REE mineralization, with scintillometer readings taken at each site;
- collection of sediment samples from tributaries and bars along Cranberry Creek, where historical reports suggested the presence of radiometric anomalies, to assess potential for placer-style REE mineralization; and

- recognition of Monashee Group lithologies favorable for REE mineralization, hosting granitic and pegmatitic intrusions and high-grade metamorphic rocks.

Phase One Program Summary

The Phase One Program returned highly encouraging REE assay results from surface sampling and heavy mineral stream sediment sampling. The Phase One Program involved the collection of 105 rock samples (grab and chip) and 13 heavy mineral stream sediment samples across prospective lithologies. Assays indicate enrichment in both light rare earth elements (“LREEs”) and heavy rare earth elements (“HREEs”).

Rock Samples Highlights

- Total REE (“TREE”) values range from 17 ppm to 1,943 ppm.
- Sample 598055 returned notable values including 340 ppm La, 779 ppm Ce, and 232 ppm HREEs.
- Additional mineralized samples include 598048 and 598054, each reporting TREE values exceeding 400 ppm.
- REE enrichment is widespread across the property, with LREEs generally more abundant than HREEs.

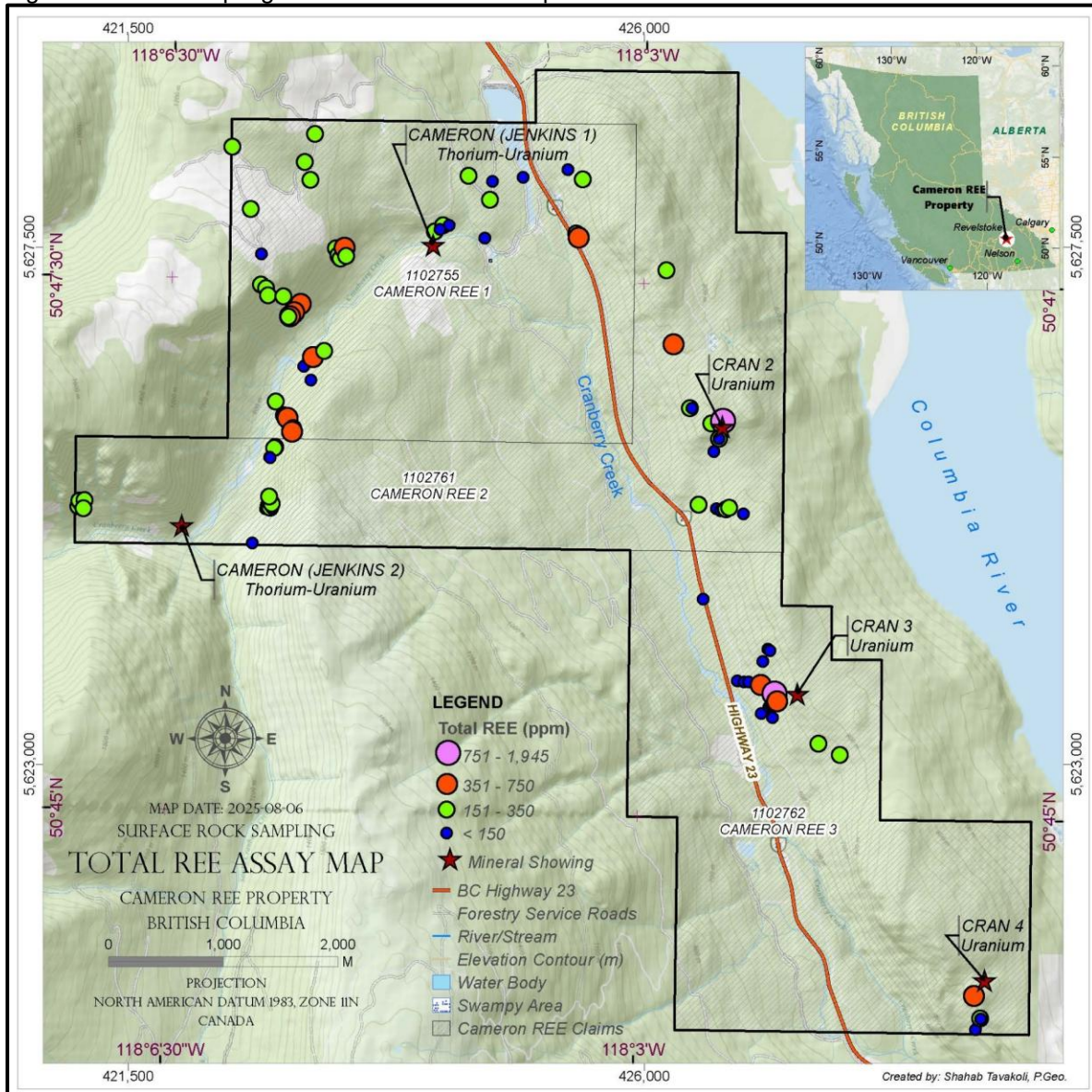
Geological Context: The Cameron REE Property lies within the Monashee Group, a high-grade metamorphic and granitic terrane known to host REE-bearing minerals such as monazite, allanite, and xenotime. REE concentrations are associated with pegmatites, shear zones, and altered gneisses, consistent with the lithologies observed during the field program.

Stream Sediment Samples Highlights

- Heavy mineral concentrate samples returned TREE values ranging from 365 ppm to 7,561 ppm.
- LREEs: La (66.7-1,530 ppm), Ce (138-3,250 ppm), Nd (39.3-1,400 ppm)
- HREEs: Y (14.55-339 ppm), Dy (3.53-101 ppm)

These results highlight a robust REE signature and further validate the Cameron Project's potential for both LREE and HREE mineralization, believed by the Company to be linked to Monashee Group lithologies and granitic-pegmatitic intrusions mapped during the survey.

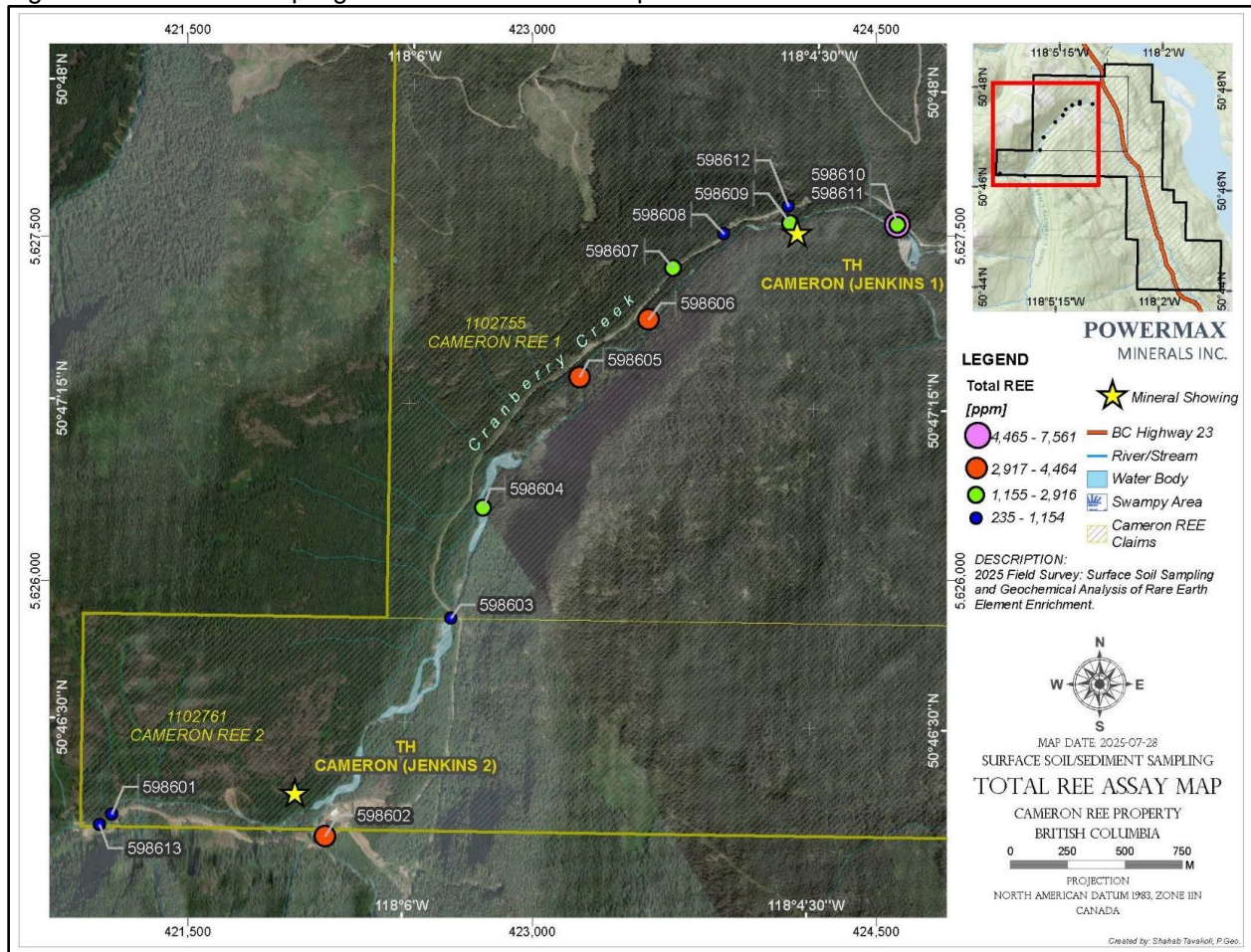
Figure 1: Rock Sampling TREE concentration map



To view an enhanced version of this graphic, please visit:

https://images.newsfilecorp.com/files/11633/261775_6219bf914413db23_001full.jpg

Figure 2: Sediment Sampling TREE concentration map



To view an enhanced version of this graphic, please visit:

https://images.newsfilecorp.com/files/11633/261775_6219bf914413db23_002full.jpg

Quality Assurance / Quality Control (QA/QC)

Rock samples (0.3-2.0 kg) were collected with field duplicates and sealed in labeled plastic bags. All samples were geo-referenced using handheld GPS (UTM NAD83, Zone 11N), and accompanied by detailed lithological and geophysical field notes. A Radiation Solutions RS-120 Gamma-Ray Scintillometer was used to detect radiometric anomalies in outcrop. Sediment samples were sieved to <1 mm, bagged in double-sealed kraft paper, and processed for heavy minerals.

Samples were delivered to ALS Metallurgy (Kamloops) for preparation and subsequently sent to ALS Geochemistry (North Vancouver) for four-acid digestion super trace analysis (ME-MS61L + REE add-on). ALS is ISO/IEC 17025 accredited and independent of Powermax Minerals.

ATIKOKAN REE PROPERTY

Pursuant to an option agreement dated June 18, 2025, the Company acquired an option (the “Option”) to acquire a 100% interest in and to the Atikokan REE property (the “Atikokan REE Property”) located in the Province of Ontario. The Atikokan REE Property is composed of 455 unpatented mining claims, located in the Ignace-Atikokan area of Northwestern Ontario. Geologically, the Atikokan REE Property is in the Wabigoon Subprovince of the Superior Geological Province, composed mainly of Archean metavolcanic and metasedimentary rocks, intruded by granitoid plutons like granodiorite and granite. Most of the Atikokan

REE Property area is underlain by the White Otter Batholith, a large complex pluton considered favourable for REE exploration.

The Option was acquired by way of assignment (the "Assignment") from Bosom Holdings Inc. (the "Assignor"), an arm's length entity, that had previously entered into an option agreement (the "Original Option") with the underlying property optionors, 0761585 BC Ltd. ("0761") and 1544230 Ontario Inc. ("1544" and, together with 0761, the "Optionors").

In consideration for the Assignment, the Company agreed to (i) upon the Assignment, pay the Assignor \$20,000 and reimburse the Assignor for \$20,000 (completed) previously paid by the Assignor to the Optionors pursuant to the Original Option; and (ii) within six business days of the Assignment, issue to the Assignor an aggregate of 1,550,000 common shares of the Company (each, a "Share") (completed*).

Pursuant to the Option, in order to acquire a 100% interest in and to the Atikokan REE Property, the Company must pay an aggregate of \$235,000 in cash and issue an aggregate of 450,000 Shares to the Optionors, as set out as follows:

- \$25,000 upon the Assignment (completed);
- 150,000 Shares upon receipt of regulatory approval respecting the Assignment (completed*);
- \$54,000 and 150,000 Shares within one year of the Assignment;
- \$66,000 and 150,000 Shares within two years of the Assignment; and
- \$90,000 within three years of the Assignment.

*On July 2, 2025, the Company issued an aggregate of 1,700,000 common shares of the Company at \$0.35 per share to the Assignor and Optionors under the Option.

Upon the Company's exercise of the Option, the Optionors will retain a 1.5% net smelter returns royalty (NSR) on the Atikokan Property, one third (1/3) of which may be repurchased for \$600,000 and the remaining two thirds (2/3) of which may be repurchased for \$3,000,000.

QUALIFIED PERSON

Afzaal Pirzada, P.Geo, is the Qualified Person for the Company.

Trends

Currently, the Company is focused on the exploration of rare earth elements (REEs) through targeted exploration initiatives. The future trend for REEs is shaped by the accelerating global energy transition, technological innovation, and supply chain security concerns. Demand is forecast to grow significantly as REEs are critical for electric vehicles, wind turbines, advanced batteries, defense systems, and high-tech electronics. Although recycling and substitution research is advancing, these alternatives are unlikely to offset near-term shortages. Accordingly, the REE market is expected to experience tight supply conditions for key elements over the next decade, with upward price pressures and increased strategic competition for long-term supply.

In response to these conditions, the Company is transitioning from grassroots exploration into a more data-driven, results-oriented operational phase.

Financial Results of Operations

Selected Financial Information

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

	Year Ended May 31, 2025	Year Ended May 31, 2024	Period from incorporation June 7, 2022 to May 31, 2023
Total revenue	\$Nil	\$Nil	\$Nil
Net loss	\$338,273	\$212,642	\$4,826
Loss per common share, basic and diluted	\$(0.02)	\$(0.02)	\$(0.00)
Total assets	\$263,356	\$500,960	\$57,164
Long term debt	\$Nil	\$Nil	\$Nil
Dividends paid/payable	\$Nil	\$Nil	\$Nil

Quarterly Financial Results

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

	Quarter Ended May 31, 2025	Quarter Ended Feb 28, 2025	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
Cash	\$214,548	\$274,401	\$348,021	\$405,333	\$474,190	\$421,572	\$411,011	\$239,387
Total assets	\$263,356	\$371,788	\$403,433	\$459,259	\$500,960	\$430,222	\$418,092	\$239,591
Shares outstanding	18,587,000	18,584,000	15,950,000	15,950,000	15,950,000	15,950,000	11,500,000	11,500,000
Net loss	\$197,160	\$43,601	\$56,428	\$41,084	\$37,412	\$37,100	\$138,031	\$99
Loss per common share (basic and diluted)	\$0.01	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.01	\$0.00

The net loss for the quarter ended May 31, 2025 was mainly a result of exploration costs of \$115,075; management fees of \$21,000; audit fees of \$10,000; rent of \$4,500; D&O insurance of \$3,750 and filing fees of \$11,860 related to the Company.

The net loss for the quarter ended February 28, 2025 was mainly a result of management fees of \$19,000; legal fees of \$4,353; rent of \$4,500; D&O insurance of \$1,250 and filing fees of \$14,313 related to the Company.

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 \$13,222 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.

Results of Operations

Three months ended May 31, 2025 and 2024

The Company incurred a net loss of \$197,160 for the three months ended May 31, 2025 compared to a net loss of \$37,412 for the comparable period in 2024. The loss in 2025 can be attributed mainly to exploration and evaluation costs, management fees, and rent.

For the three months ended May 31, 2025, the Company incurred accounting and audit fees of \$10,000 (2024 - \$12,500). Costs incurred in 2025 were for year-end audit and quarter review.

For the three months ended May 31, 2025, the Company incurred consulting fees of \$Nil (2024 - \$2,493). Costs incurred in 2025 for consulting fees were related to advisory services related to financing.

For the three months ended May 31, 2025, the Company incurred legal fees of \$30,153 compared to \$Nil for the comparable period in 2024. Costs incurred in 2025 was a result of services provided and for the private placement financing fees during the year.

For the three months ended May 31, 2025, the Company incurred management fees of \$21,000 (2024 - \$15,000). The management fees are for the CEO and the CFO of the Company.

For the three months ended May 31, 2025, the Company incurred rent expense of \$4,500 compared to \$1,500 for the comparable period in 2024.

For the three months ended May 31, 2025, the Company incurred transfer agent and filing fees of \$11,860 (2024 - \$5,750).

Year ended May 31, 2025 and 2024

The Company incurred a net loss of \$338,273 for the year ended May 31, 2025 compared to a net loss of \$212,642 for the comparable period in 2024. The loss in 2025 can be attributed to exploration and evaluation costs, legal fees, management fees, filing fees and rent. The loss in 2024 can be attributed mainly to exploration and evaluation costs, legal fees, management fees, and rent.

For the year ended May 31, 2025, the Company incurred accounting and audit fees of \$30,661 (2024 - \$17,500). Costs incurred in 2025 were for the review of the quarterly statements and prospectus filing.

For the year ended May 31, 2025, the Company incurred consulting fees of \$787 (2024 - \$14,002). The consulting fees in 2024 were related to advisory services related to financing.

For the year ended May 31, 2025, the Company incurred \$115,075 in exploration and evaluation costs compared to \$119,963 for the comparable period in 2024. Costs incurred in 2025 and 2024 were for the exploration and evaluation costs of the Cameron REE Property.

For the year ended May 31, 2025, the Company incurred legal fees of \$53,323 compared to \$8,290 for the comparable period in 2024. The increase of \$45,033 in 2024 was a result of services provided and for the prospectus filing during the year.

For the year ended May 31, 2025, the Company incurred management fees of \$70,000 compared to \$45,000 for the comparable period in 2024. The increase was mainly due to the increase in management fees for the CEO and the CFO of the Company.

For the year ended May 31, 2025, the Company incurred rent expense of \$18,000 compared to \$1,500 for the comparable period in 2024.

For the year ended May 31, 2025, the Company incurred transfer agent and filing fees of \$42,298 (2024 - \$5,750) due to the Prospectus filing during the year.

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 May 31, 2025, the Company had working capital⁽¹⁾ of \$127,844 (May 31, 2024 - \$465,071) which included cash of \$214,548 (May 31, 2024 - \$474,190) available to meet short-term business requirements and liabilities of \$135,512 (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 (May 31, 2025 - \$263,356; May 31, 2024 - \$500,960), less current liabilities (May 31, 2025 - \$135,512; 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. Each special warrant automatically converted on December 6, 2024, the date that is the third business day after the Receipt Date. (see note 5).

Subsequent to May 31, 2025, the Company announced a non-brokered private placement of up to 5,714,285 units ("Units"), at a price of \$0.35 per Unit, and of up to 2,380,952 flow-through units ("FT Units"), at a price of \$0.42 per FT Unit, for aggregate gross proceeds of up to \$3,000,000 (the "Private Placement"). Each Unit is to be comprised of one common share and one common share purchase warrant (a "Warrant"), with each Warrant exercisable into one common share at a price of \$0.46 for a period of 24 months. Each FT Unit is to be comprised of one common share to be issued on a flow-through basis under the *Income*

Tax Act (Canada) (each, a "FT Share"), and one common share purchase warrant (a "FT Warrant") exercisable into one (non flow-through) common share at a price of \$0.50 for a period of 24 months.

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 20,663,000 issued and outstanding common shares and 6,505,000 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 year ended May 31, 2025, the Company paid \$29,000 (2024 - \$18,000) in management fees to the Chief Financial Officer ("CFO"); and paid \$41,000 (2024 - \$27,000) in management fees to the Chief Executive Officer ("CEO") of the Company.

As at May 31, 2025, the Company had prepaid management fees of \$nil (May 31, 2024 - \$5,000) to the CFO and CEO. As at May 31, 2025 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, 2025.

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 May 31, 2025, the Company has cash of \$214,548 (May 31, 2024 - \$474,190) available to apply against short-term business requirements and current liabilities of \$135,512 (May 31, 2024 - \$35,889). All of the liabilities presented as accounts payable and accrued liabilities are due within 90 days of May 31, 2025. 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,

"Paul Gorman"

Chief Executive Officer, President and Director

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.