

Powermax Minerals Announces Rights Offering

Toronto, Ontario--(Newsfile Corp. - October 15, 2026) - **Powermax Minerals Inc. (CSE: PMAX) (OTCQB: PWMXF) (FSE: T23)** ("**Powermax**" or the "**Company**") is pleased to announce it is conducting a rights offering to raise gross proceeds of up to \$435,098.43. The Company will be offering 43,509,843 rights (the "**Rights**") to holders of its common shares (the "**Shareholders**") at the market close on the record date of October 15, 2026 (the "**Record Date**") on the basis of one (1) right for each one (1) common share held (the "**Rights Offering**"). Each one (1) Right will entitle the holder to subscribe for one common share of the Company (a "**Share**") upon payment of a subscription price of \$0.01 per Share (the "**Basic Subscription Privilege**").

Pricing of the Rights Offering is governed by the Canadian Securities Exchange (the "**CSE**") policies, which require the Company to offer existing shareholders a discount to purchase new Shares in order to provide a meaningful incentive to all Shareholders to participate in the Rights Offering. Upon completion of the Rights Offering and assuming all Rights are exercised, the Company will have 87,019,686 Shares outstanding on a pre-Consolidation (as defined herein) basis, of which the Shares issued under the Rights Offering represent 50%.

The Company has also entered into a standby guaranty agreement (the "**Standby Agreement**") with 1357508 B.C. Ltd. and Bosom Holding Inc. (collectively, the "**Standby Guarantors**") dated October 8, 2026, pursuant to which the Standby Guarantor has agreed to subscribe for such number of Shares as is necessary to fully guarantee the Rights Offering for an aggregate price of \$435,098.43 (the "**Standby Guaranty**"), subject to the ownership restrictions set out in the Standby Agreement, including the 9.99% beneficial ownership limitation applicable to each Standby Guarantor, and compliance with applicable securities laws and CSE policies.

Currently, the Standby Guarantors collectively hold 55,000 Shares representing 0.12 % of the Company's total issued and outstanding Shares. If the Standby Guarantors acquire all of the Shares under the Standby Guaranty and their Basic Subscription Privilege, the Standby Guarantors will hold 43,509,843 Shares.

In consideration for providing the Standby Guaranty, the Company will pay to the Standby Guarantor an aggregate standby fee equal to 5% of the total amount of the Standby Guaranty. In addition, as consideration for their Standby Guaranty, the Company will issue non-transferable bonus Share purchase warrants to the Standby Guarantors entitling them to purchase up to a total of 4,350,984 Shares, being 10% of the total number of Shares the Standby Guarantors have committed to purchase, at a price of \$0.20 per Share for a period of three (3) years from the Expiry Date (as defined herein).

The Rights Offering will expire at 4:00 p.m. (Vancouver time) (the "**Expiry Time**") on November 9, 2026 (the "**Expiry Date**"), after which time unexercised Rights will be void and of no value. Shareholders who fully exercise their Rights under the Basic Subscription Privilege will be entitled to subscribe for additional Shares, if available, as a result of unexercised Rights prior to the Expiry Time, subject to certain limitations as set out in the Company's Rights Offering circular dated October 15, 2026 (the "**Circular**"), which will be filed on SEDAR+ under Powermax's profile at www.sedarplus.ca. The Company expects to close the Rights Offering on or before November 17, 2026.

The Rights will be offered to Shareholders resident in (i) all the provinces and territories of Canada (except Quebec) and (ii) all jurisdictions outside Canada and the United States, excluding any jurisdiction that does not provide a prospectus exemption substantially similar to the exemption provided in Canada or that otherwise requires obtaining any approvals of a regulatory authority in such jurisdiction or the filing of any document by Powermax in such jurisdiction in connection with the Rights Offering (collectively, the "**Eligible Jurisdictions**"). The Rights are being offered only to Shareholders resident in

Eligible Jurisdictions ("**Eligible Holders**").

Any Eligible Holder who exercises all of their Rights under the Basic Subscription Privilege will also have the additional privilege of subscribing, pro rata, for additional Shares at the subscription price (the "**Additional Subscription Privilege**"). The Shares available under the Additional Subscription Privilege will be those Shares issuable in the Rights Offering that have not been subscribed and paid for under the Basic Subscription Privilege by the Expiry Time.

Accordingly, and subject to the detailed provisions of the Circular, certificates or direct registration system statements representing the Rights (the "**Rights Statements**") and subscription forms will not be mailed to Shareholders resident outside of the Eligible Jurisdictions, unless such Shareholders are able to establish to the satisfaction of the Company that they are eligible to participate in the Rights Offering. Registered Shareholders who wish to exercise their Rights must forward the completed subscription form, together with the applicable funds, to the Rights agent, Odyssey Trust Company (the "**Rights Agent**"), on or before the Expiry Time. Shareholders who own their Shares through an intermediary, such as a bank, trust company, securities dealer or broker, will receive materials and instructions from their intermediary. Shareholders who fully exercise their Rights will be entitled to subscribe *pro rata* for additional Shares not otherwise purchased, if any, as a result of unexercised Rights prior to the Expiry Time, subject to certain limitations set out in the Circular. After November 4, 2026, the Rights Agent shall hold such Rights Statements evidencing the Rights held by ineligible holders (other than those Shareholders from whom the Company accepts subscriptions) until the Expiry Time, at which point the Rights represented by such Rights Statements shall be null and void.

The proceeds of the Rights Offering are expected to be used for exploration expenditures and mineral claim management expenses for the Company's Canadian Projects and general and administrative expenses. The Company will continue to pursue other capital raising initiatives, with the aim of completing another equity financing within three months of completing the Rights Offering.

The Rights and the underlying Shares have not been and will not be registered under the *United States Securities Act of 1933*, as amended (the "**U.S. Securities Act**"), or the securities laws of any state of the United States. This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities within the United States, and the Rights (a) may not be offered or sold in the United States or to any U.S. person, and (b) may not be exercised within the United States or for the account or benefit of any U.S. person or any person in the United States. "**United States**" and "**U.S. person**" are as defined in Regulation S under the U.S. Securities Act.

Consolidation

Following the closing of the Rights Offering and the issuance of the Shares upon exercise of the Rights, the Company intends to complete a consolidation of its issued and outstanding Shares. The Company expects to complete the consolidation on the basis of one (1) post-consolidation Share for up to six (6) pre-consolidation Shares (the "**Consolidation**"), or such lesser amount to be determined by the Company. No fractional Shares will be issued pursuant to the Consolidation.

About Powermax Minerals Inc.

Powermax (CSE: PMAX) (OTCQB: PWMXF) (FSE: T23) is a Canadian mineral exploration company focused on advancing rare earth element projects. The Company holds an option to acquire the Cameron REE Project in British Columbia and has interests in the Atikokan, Hopkins and Pinard REE properties in Ontario. Powermax also owns a 100% interest in the Ogden Bear Lodge REE Project in Crook County, Wyoming.

For Further Information

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Forward-Looking Information

This press release contains forward-looking information within the meaning of Canadian securities laws. Such information includes, without limitation, statements regarding the Company's intention to complete the Rights Offering, the Company's intention to complete the Consolidation, the anticipated timing, expiry and closing of the Rights Offering, the anticipated timing and terms of the Consolidation, the expected gross proceeds of the Rights Offering, the payment of the standby fee and issuance of the bonus Share purchase warrants, and the anticipated use of proceeds. Forward-looking information is generally identifiable by use of words such as "anticipates", "expects", "believes", "plans", "intends", "estimates", "will", "may" or similar expressions. Although the Company believes that such information is reasonable, it can give no assurance that such expectations will prove to be correct.

Forward-looking information is based on a number of estimates and assumptions that, while considered reasonable by the Company as of the date of this press release, are inherently subject to significant business, economic and competitive uncertainties and contingencies. These assumptions include, without limitation, receipt of required CSE and other regulatory approvals, completion of the Rights Offering on the terms and within the time periods anticipated, sufficient exercise of Rights by Shareholders, the Company's ability to issue the Shares and bonus Share purchase warrants contemplated by the Rights Offering and use of the proceeds as anticipated.

Known and unknown risks, uncertainties and other factors may cause actual results and future events to differ materially from those expressed or implied by such forward-looking information, including, without limitation, the Rights Offering not being completed on the terms or within the time periods anticipated, insufficient exercise of Rights by Shareholders, failure to obtain required CSE or other regulatory approvals, dilution to Shareholders who do not exercise their Rights, the Company not realizing the anticipated benefits of the Rights Offering or using the proceeds as anticipated, general business, economic, competitive, political and social uncertainties, the speculative nature of mineral exploration and other risks and uncertainties described in the Company's public filings available on SEDAR+. There can be no assurance that such forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated. Accordingly, readers should not place undue reliance on forward-looking information. The Company disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable securities laws.

Neither the CSE nor its Regulation Services Provider (as that term is defined in the policies of the CSE) accepts responsibility for the adequacy or accuracy of this release.

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