The following management's discussion and analysis ("MD&A") should be read in conjunction with the Corporation's audited financial statements for the years ended September 30, 2025 and 2024 (the "financial statements"). This MD&A was prepared by management of Draxos Capital Corporation (the "Corporation") and was approved by the Board of Directors on May 27, 2026. Additional information relating to the Corporation is available on Sedar+ at www.sedarplus.ca.

BASIS OF PRESENTATION

This MD&A and the financial statements have been prepared in Canadian dollars, unless otherwise indicated, and in accordance with International Financial Reporting Standards ("IFRS"). This MD&A has been prepared in compliance with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations and the Corporation's financial statements and financial data have been prepared in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). All amounts are expressed in Canadian dollars unless otherwise stated. Other information contained in this document has also been prepared by management and is consistent with the data contained in the financial statements.

FORWARD-LOOKING INFORMATION

Certain statements contained in this document constitute "forward-looking information". When used in this document, the words "may", "would", "could", "will", "intend", "plan", "propose", "anticipate", "believe", used by any of the Corporation's management, are intended to identify forward-looking information. Such statements reflect the Corporation's forecasts, estimates and expectations, as they relate to the Corporation's current views based on their experience and expertise with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the Corporation's actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward- looking statements. The Corporation does not intend, and does not assume any obligation, to update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements contained herein to reflect future results, events or developments unless required by law.

SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

Management's discussion and analysis of operating results and financial condition are made with reference to the Corporation's audited annual financial statements and notes thereto for the years ended September 30, 2025 and 2024, which have been prepared in accordance with IFRS. The Corporation's material accounting policies are summarized in detail in note 3 of the Corporation's financial statements for the years ended September 30, 2025 and 2024, and are available under the Corporation's profile on www.sedarplus.ca.

OVERALL PERFORMANCE

BUSINESS OF THE CORPORATION

Draxos Capital Corp. (the "Corporation") was incorporated pursuant to the provisions of the Business Corporations Act (Ontario) on September 8, 2021. The Corporation intends to carry on business as a Capital Pool Company ("CPC") as defined in policy 2.4 of the TSX Venture Exchange (the "Exchange"). On February 24, 2022, the Corporation completed its Initial Public Offering ("IPO") and is now defined as a Capital Pool Corporation trading under the symbol DRAX.P.

The principal business of the Corporation is to identify and evaluate assets or businesses with a view to potentially acquire them or an interest therein. The purpose of such an acquisition is to satisfy the related conditions of a Qualifying Transaction ("QT") under the Exchange rules. The Corporation has not commenced operations and has no assets other than cash held in trust. The Corporation's continuing operations as intended are dependent upon its ability to identify, evaluate and negotiate an acquisition, or business, or and interest therein. Such an acquisition will be subject to the approval of the regulatory authorities concerned and, in the case of a non-arms-length transaction, of the majority of the minority shareholders.

Upon incorporation on September 8, 2021, the Corporation issued 1,466,670 common shares at a price of $0.075 per share for gross proceeds of $110,000. Transaction costs related to the issuance of these shares was $3,500. As at March 31, 2026, 1,466,670 (September 30, 2025 – 1,466,670) of these common share are held in escrow until completion of a QT.

On November 3, 2021, the Corporation closed a private placement and issued 266,800 shares at a price of $0.075 per share for additional proceeds of $20,010. The Corporation recognized $4,990 in associated share issue costs related to this offering. As at March 31, 2026, 266,800 (September 30, 2025 – 266,800) of these common shares are held in escrow until completion of a QT.

On February 24, 2022, the Corporation closed its IPO of 1,500,000 common shares at $0.15 per share for aggregate gross proceeds of $225,000. The Corporation recognized $76,800 in associated share issue costs for the IPO. As at March 31, 2026, 7,500 (September 30, 2025 – 7,500) of these common shares are held in escrow until completion of a QT.

As at March 31, 2026, 1,740,970 (September 30, 2025 – 1,740,970) shares are held in escrow until completion of a QT. Twenty-five percent of these common shares will be released on the issuance of the Final Exchange Bulletin and an additional twenty-five percent will be released on the dates 6 months, 12 months, and 18 months following the initial release. These common shares, which are considered contingently issuable until the Corporation completes a QT, are not considered to be outstanding for the purpose of the loss per share calculation.

The Corporation's financial statements have been prepared in accordance with IFRS applicable to a going concern, which contemplates that the Corporation will be able to realize its assets and discharge its liabilities in the normal course of business. The Corporation has no source of operating revenues and its ability to operate as a going concern in the near-term will depend on its ability to successfully identify and complete a Qualifying Transaction, which may require the raising of additional financing in the future. The Corporation's financial statements do not purport to give effect to adjustments, if any, that may be necessary should the Corporation be unable to continue and therefore, be required to realize its assets and discharge its liabilities in a manner other than in the ordinary course of business.

The proceeds raised from the issuance of share capital may only be used to identify and evaluate assets or businesses for future investment, with the exception that up to $3,000 per month may be used for reasonable general and administrative expenses of the Corporation. These restrictions apply until completion of a Qualifying Transaction by the Corporation as defined under the policies of the Exchange Policy 2.4. The head office and the registered head office of the Corporation is located at Bay Adelaide Center – North Tower, 40 Temperance Street, Suite 2700, Toronto, Ontario, M5H 0B4.

The principal business of the Corporation will be to identify and evaluate assets or businesses with a view to potentially acquire them or an interest therein. The purpose of such an acquisition is to satisfy the related conditions of a QT under the TSX Exchange rules. The Corporation has not commenced operations and has no assets other than cash held in trust and deferred financing costs. The Corporation's continuing operations as intended are dependent upon its ability to identify, evaluate and negotiate an acquisition, or business, or an interest therein. Such an acquisition will be subject to the approval of the regulatory authorities concerned and, in the case of a non-arm's length transaction, of the majority of the minority shareholders.

SELECTED ANNUAL FINANCIAL HIGHLIGHTS

The financial results of the Corporation for the financial years ended September 30, 2025, 2024 and 2023 are summarized as follows.

For the year ended September 30, 2025 in Canadian $ except share amounts			
Year ended September 30,	2025	2024	2023
Total revenue	$ -	$ -	$ -
Operating Expenses	29,112	55,938	42,573
Net Loss	26,561	52,299	42,573
Loss per Share - Basic	$ 0.02	$ 0.04	$ 0.03
Loss per Share - Diluted	$ 0.02	$ 0.04	$ 0.03
Weighted average shares outstanding	1,492,500	1,492,500	1,492,500
Total Assets	$ 90,516	$ 124,914	$ 164,475
Total Short-Term Liabilities	15,486	23,323	10,585
Shares outstanding	3,233,470	3,233,470	3,233,470

Results for the three periods above are difficult to compare. In all three comparative periods, the search for QT's was ongoing. Expenditure categories remained consistent across all three years with amounts included in each category changing due to the specific activities undertaken in each fiscal period. Expenditures included insurance, professional and regulatory (including shareholder communications costs). Management believes this trend will continue until a QT is identified and pursued.

Currently the only assets of the Corporation are cash and short-term investments and along with accounts payable and accrued liabilities included in current liabilities.

During the year ended September 30, 2025, the Corporation had a net loss of $26,561 compared to a loss of $52,299 in the comparative year ended September 30, 2024. The Company generated $2,551 in interest income from treasury bills during the year ended September 30, 2025 compared to $3,639 in the comparative period. The decrease is related to lower investment amounts as funds were required for operations during the year. During the year ended September 30, 2025, the Company incurred professional fees of $16,371 compared to $28,076 in the comparative period. The main reason for the decrease related to legal fees that were $2,203 in the current period compared to $17,142 in the comparative period ended September 30, 2024, primarily related to costs to prepare for the Company's AGM. Other professional fees related to audit costs of $11,865 and tax costs of $1,130 in the year ended September 30, 2025 compared to audit costs of $9,165 and tax costs of $900 in the comparative period.

In the current year ended September 30, 2025, $12,437 in regulatory costs were incurred compared to $16,674 in the comparative period. The majority of these costs relate to monthly transfer agent and TSXV listing fees that have remained very consistent over the past three years but saw an uptick in the comparative 2024 period due to additional costs related to preparation for the Company's AGM. Finally, the Company did not incur any insurance costs in the year ended September 30, 2025 but did incur one-half of a years charge in the comparative 2024 period ($8,100) and a full year of insurance costs in the 2023 fiscal period ($16,400).The Company decided to not renew the D&O policy during the prior fiscal year ended September 30, 2024.

SELECTED QUARTERLY FINANCIAL HIGHLIGHTS

The quarterly financial results of the Corporation for the quarterly periods from June 30, 2024 to March 31, 2025 are summarized as follows.

	Three-Month Ended							
	31-Mar-26	31-Dec-25	30-Sep-25	30-Jun-25	31-Mar-25	31-Dec-24	30-Sep-24	30-Jun-24
Cash and cash equivalents	$ 86,945	$ 90,696	$ 90,516	$ 4,784	$ 4,570	$ 7,145	$ 3,835	$ 6,650
Current liabilities	23,272	16,288	15,486	1,775	14,437	10,528	23,323	916
Net income / (loss)	(10,735)	(623)	(18,818)	(364)	(6,483)	(896)	(24,143)	(10,608)
Loss per share	($0.01)	$ (0.00)	$ (0.01)	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.02)	$ (0.01)
Weighted average shares outstanding	1,492,500	1,492,500	1,492,500	1,492,500	1,492,500	1,492,500	1,492,500	1,492,500

DISCUSSION OF OPERATIONS

Three months ended March 31, 2026

The Company had cash and cash equivalents on hand at the end of the quarter ended March 31, 2026 of $86,945 compared to $90,516 at September 30, 2025 year end.

The three month period ended March 31, is typically the highest expense quarter of the year due to year end filings being done for the September 30, 2025 year end. In the quarter ended March 31, 2026 the Company recorded interest accrual of $400 compared to $884 in the comparative quarter. The Company has less short-term investments in the current quarter due to funds being required for operations. The Company incurred regulatory fees of $11,849 in the quarter ended March 31, 2026 ($9,988 in the quarter ended March 31, 2025) related to SEDAR and TSXV fees for annual filings and annual listing fees that are always incurred in this quarter of the year. Included in the regulatory fees are regular, recurring investor communication costs that are comparative period over period ($1,282 vs $1,232).

The Company recorded a reduction to accrued liabilities related to the annual audit fees where it slightly over accrued at the year end of September 30, 2025, that resulted in a credit balance in total professional fees. For the comparative quarter ended March 31, 2025, the Company was required to accrue additional audit fees as it had under accrued at the prior year end, that resulted in total professional fees of $2,662. The only other expense in the quarter related to monthly banking fees that totalled $75 in the current quarter compared to $78 in the comparative quarter.

DISCLOSURE OF OUTSTANDING SHARE DATA

Upon incorporation on September 8, 2021, the Corporation issued 1,466,670 common shares at a price of $0.075 per share for gross proceeds of $110,000. Transaction costs related to the issuance of these shares was $3,500. As at March 31, 2026, 1,466,670 (September 30, 2025 – 1,466,670) of these common shares are held in escrow until completion of a QT.

On November 3, 2021, the Corporation closed a private placement and issued 266,800 shares at a price of $0.075 per share for additional proceeds of $20,010. The Corporation recognized $4,990 in associated share issue costs related to this offering. As at March 31, 2026, 266,800 (September 30, 2025 – 266,800) of these common shares are held in escrow until completion of a QT.

On February 24, 2022, the Corporation closed its IPO of 1,500,000 common shares at $0.15 per share for aggregate gross proceeds of $225,000. The Corporation recognized $76,800 in associated share issue costs for the IPO. As at March 31, 2026, 7,500 (September 30, 2025 – 7,500) of these common shares are held in escrow until completion of a QT. The Corporation engaged Haywood Securities Inc. (the "Agent") in connection with the Corporation's IPO. The Corporation paid a commission of 10% of the gross proceeds of the IPO to the Agent and granted the Agent non-transferable common share purchase warrants exercisable to purchase up to 150,000 common shares at a price of $0.15 per share until the earlier of (i) twenty-four months from closing of the IPO, and (ii) twelve months from the date on which the common shares of the resulting issuer commence trading on the Exchange (or other recognized stock exchange) following completion of the QT. These warrants expired during the year ended September 30, 2024. In connection with the Offering, the Agent also received a cash commission equal to 10.0% of the gross proceeds of the Offering, a corporate finance fee and was reimbursed for its legal fees and reasonable expenses.

As at March 31, 2026, 1,740,970 (September 30, 2025 – 1,740,970) shares are held in escrow until completion of a QT. Twenty-five percent of these common shares will be released on the issuance of the Final Exchange Bulletin and an additional twenty-five percent will be released on the dates 6 months, 12 months, and 18 months following the initial release. These common shares, which are considered contingently issuable until the Corporation completes a QT, are not considered to be outstanding for the purpose of the loss per share calculation.

Concurrent with the closing of the Offering, the Corporation also granted options to acquire an aggregate of 323,347 common shares in the capital of the Corporation at an exercise price of $0.15 per share to officers and directors of the Corporation, which options expire ten years from the date of the grant.

As at the date of this MD&A, the Corporation has 3,233,470 common shares and 323,347 stock options outstanding.

LIQUIDITY

,As at March 31, 2026, the Corporation had $86,945 in cash and cash equivalents available ($90,516 as at September 30, 2025) with current liabilities of $23,272 ($15,486 at September 30, 2025) for total net working capital of $63,673 ($75,030 at September 30, 2025). The Corporation's sole activity at this time is to search for a QT and management believes sufficient cash resources exist and will exist in the future. Since concluding its IPO, the Corporation has seen fluctuations in expenditures but over the recent past the trends are now showing minimal cash requirements. Management does not see any issues related to lack of capital in the near future.

OFF-BALANCE SHEET ARRANGEMENTS

As at March 31, 2026, and up to the date of this MD&A, the Corporation had no off-balance sheet arrangements.

CAPITAL RESOURCES

As at March 31, 2026, the Corporation has no commitments for capital expenditures and none exist at this date that are not yet committed to meet the Corporation's growth or fund development activities.

The Corporation financed its operations during the period ended March 31, 2026 from net cash proceeds received from the Corporation's seed capital of $106,500 in 2021, net proceeds of $15,020 in November 2021 from a non-brokered private placement and from net cash proceeds received from the Corporation's initial public offering of $148,200 in February 2022.

Cash raised by the Corporation from the issuance of shares is to be used by the Corporation to fund its activities relating to the Exchange listing, identification and evaluation of a potential Qualifying Transaction and, to the extent permitted by Policy 2.4, for general and administrative expenses. Until such time as the Corporation identifies a Qualifying Transaction, it is contemplated that the working capital requirements of the Corporation will relate generally to expenses associated with the Corporation's continuous disclosure obligations under applicable securities legislation, annual audit fees, legal fees for general corporate matters and costs incurred in identifying, evaluating and executing a potential Qualifying Transaction. The only material ongoing contractual obligations of the Corporation relates to the payment of transfer agency fees and legal and audit fees. The Corporation believes it has sufficient capital resources to execute a Qualifying Transaction.

TRANSACTIONS BETWEEN RELATED PARTIES

As at March 31, 2026, and up to the date of this MD&A, the Corporation had no transactions with related parties with the exception of granting of stock options to its officers and directors in 2022. In conjunction with its IPO, the Corporation issued 323,347 stock options to its officers and directors. On the grant date, such options were fair valued based on the Black-Scholes option pricing model at $43,652.

PROPOSED TRANSACTIONS

As at March 31, 2026, and up to the date of this MD&A, other than the previously mentioned IPO, there were no other proposed transactions with the Corporation.

CRITICAL ACCOUNTING ESTIMATES & CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

On February 24, 2022, the Corporation announced it had completed its IPO and that it was now defined as a Capital Pool Corporation trading under the symbol DRAX.P on the TSXV. The Corporation's assets are comprised of cash and limited other assets, until the completion of a QT. Material accounting policy information explained in Note 3 of the audited September 30, 2025, financial statements for the Corporation as filed on Sedar+. Critical accounting judgements, estimates and assumptions are explained in Note 2 of the same financial statements.

Notes to the audited financial statements for the year ended September 30, 2025, are available on Sedar+ at www.sedarplus.ca.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Corporation's financial instruments consist of cash, cash in trust and cash equivalents, accounts payable and accrued liabilities. The fair value of these financial instruments approximates their carrying values, unless otherwise noted.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company manages its liquidity risk by forecasting cash flows and anticipated investing and financing activities. Officers of the Company are actively involved in the review and approval of planned expenditures. As at March 31, 2026, the Company has liabilities of $23,272 (September 30, 2025 - $15,486) due within twelve months and has cash and cash equivalents of $86,945 (September 30, 2025 - $90,516) to meet its current obligations. As a result, Management has determined that there is no significant change in liquidity risk exposure from prior year (see note 1).

Credit risk

Credit risk is the risk of loss associated with a counter-party's inability to fulfill its payment obligations. As at March 31, 2026, the Company's maximum exposure to credit risk is $86,945 (September 30, 2025 - $90,516) and is comprised of cash and cash equivalents. All of the Company's cash is held at major Canadian financial institutions or in trust by its lawyers. Short-term investments are in treasury bills issued by the Bank of Canada. Management has determined credit risk is low.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company holds $74,230 (September 30, 2025 - $74,886) in interest-bearing financial instruments in the form of treasury bills issued by the Bank of Canada. Therefore, Management believes the Company has no significant exposure to interest rate risk through its financial instruments as at March 31, 2026.

RISKS AND UNCERTAINTIES

The Corporation is a Capital Pool Corporation as that term is defined in Policy 2.4 of the Exchange. The Corporation is actively working to identify assets or businesses in order to complete a QT. During this time, the Corporation will have no source of recurring income.

Although management of the Corporation will be working to identify a QT, there is no assurance that a QT will be entered into or be completed. Nor can there be an assurance that the Corporation will be able to obtain additional financing in the future on terms acceptable to the Corporation or at all.

The Corporation is relying solely on the past business success of its directors and officers to identify a QT of merit. The success of the Corporation is dependent upon the efforts and abilities of its management team. The loss of any member of the management team could have a material adverse effect upon the business and prospects of the Corporation. In such event, the Corporation will seek satisfactory replacements but there can be no guarantee that appropriate personnel may be found.

Completion of the QT is subject to a number of conditions, including acceptance by the Exchange and in the case of a Non-Arm’s Length QT, majority of minority approval.