

MAXIM RESOURCES INC.
FORM 51-102F1
MANAGEMENT DISCUSSION AND ANALYSIS
NINE MONTH PERIOD ENDED SEPTEMBER 30, 2007

The following discussion and analysis, prepared as of November 23, 2007, should be read together with the unaudited financial statements for the nine month period ended September 30, 2007 and related notes attached thereto, which are prepared in accordance with Canadian generally accepted accounting principles. All amounts are stated in Canadian dollars unless otherwise indicated.

The reader should also refer to the annual audited financial statements for the years ended December 31, 2006 and 2005, and the Management Discussion and Analysis for those years.

Statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements.

Additional information related to the Company is available for view on SEDAR at www.sedar.com.

Description of Business

The Company is a natural resource company engaged in the acquisition, exploration, and development of resource properties. The Company trades on the TSX Venture Exchange under the symbol MXM and on the Frankfurt Stock Exchange under the symbol M5H.

Summary of Activity

Cooke Ranch, Texas (Unproven)

On May 25, 2005 and July 25, 2005, the Company entered into participation agreements with Bayshore Exploration LLC of Katy, Texas, an arms-length private oil and gas company, to acquire a 9.50% working interest in the Cooke Ranch Deep Prospect. As consideration, the Company paid \$1,894,039, representing the Company's portion of the completed cost of the initial test well (the Cooke No.3 well), a second well (the Cartwright No.1 well), a third well (the Cooke No. 4 well) a fourth well (the Cooke No. 5 well), and a fifth well (the Cartwright No.2 well).

During the year ended December 31, 2006, the Company has abandoned its interest in the Cooke No. 4 Well and wrote off resource property costs of \$55,358 to operations. An engineering report for Cooke #3 was unavailable, and as a result, the Company wrote off resource property costs of \$1,462,437 to operations.

	Cooke No. 5 Well	Cooke No.3 Well	Cartwright No.1 Well	Cartwright No. 2 Well	Total Cooke Ranch
Balance, December 31, 2006	\$ 117,770	\$ 1	\$ 130,581	\$ 127,892	\$ 376,243
Exploration costs, operating	-	11,278	-	-	11,278
Balance, September 30, 2007	\$ 117,770	\$ 11,279	\$ 130,581	\$ 127,892	\$ 387,522

Motley County, Texas (Unproven)

During the year ended December 31, 2005, the Company entered into an arms-length letter of intent with Kendrick Oil & Gas Company ("Kendrick") to acquire a 75% net revenue interest in the Palo Duro Basin in Motley County, Texas. As consideration, the Company paid \$202,400 in acquisition costs including a finders fee of \$17,100.

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Summary of Activity (cont'd...)

El Maton Field, Texas (Unproven)

On April 25, 2006, the Company entered into a participation agreement, with an arms-length private oil and gas company to acquire a 15% working interest in the El Maton Field Prospect located in Matagorda County, Texas. As consideration, the Company paid \$329,427 including a finder's fee of \$23,000.

South Erin Block, Trinidad (Proven and probable)

On May 4, 2006, the Company entered into an agreement to acquire a 69% working interest in the South Erin Block located in South West Trinidad. In exchange for the working interest, the Company paid \$1,373,730 (\$152,125 deposit paid during the December 31, 2005 year end).

The Company intends to drill four development wells. The drilling will commence upon receipt of the Certificate of Environmental Clearance from the local Environmental Management Authority.

High Island Block, Western Gulf of Mexico (Unproven)

During the period ended September 30, 2007, the Company entered into an arms-length agreement to acquire a 20% working interest and a 10% net revenue interest in and to the 115 B-1 well and the High Island Block oil and gas leases in the Western Gulf of Mexico. As consideration the Company paid \$2,236,251 (US\$2,004,000) during the period ended September 30, 2007.

A sidetrack (sidetrack 2) of the B-1 wellbore (the original well) on the High Island block was drilled to a measured depth of approximately 14,950 feet to 16,931 feet (vertical depth of 16,901 feet), and encountered a minimum of 75 feet of gas pay in the Cris R-1 sand and the upper Cris R-1 sand. Well flow tests indicate that an absolute open flow of 52.3 million cubic feet of gas per day is estimated. In addition, well flow tests indicate that the well will flow at an estimated rate of 15 million cubic feet of gas per day on an 11/64th-inch choke with a drawdown pressure estimated at 939 pounds per square inch and a flowing tubing pressure of about 9,600 pounds per square inch. Bottom-hole pressure is estimated to be in excess of 13,546 pounds per square inch.

Original bottom-hole pressure was estimated to be 15,565 pounds per square inch. The well was intentionally drilled to stop short an estimated 30 feet of penetrating the gas water contact so as to avoid potential mechanical complications associated with behind-pipe water communication. The well is expected to be placed on-line in late September or early October of this year following the completion of a new flow line.

The original well produced 8.5 billion cubic feet of gas from the Cris R sand at an average rate of 22 million cubic feet gas per day from October, 2003, to December, 2004.

The Company and the syndicate are proceeding with seismic data acquisition on the High Island block along with adjacent blocks, and are investigating the economic feasibility of developing oil and gas reserves from within the High Island block.

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Summary of Activity (cont'd...)

PEI Permits, Prince Edward Island (Unproven)

During the year ended December 31, 2006, the Company acquired a 50% working interest in Prince Edward Island Oil & Gas Permits numbered 02-01, 04-01 and 04-04. As consideration, the Company paid \$320,000 which included \$70,000 paid during the year ended December 31, 2005. The advance receivable was written-off during the year ended December 31, 2005 and was recovered during fiscal 2006 as part of the acquisition.

Subsequent to December 31, 2006, the corporation holding the permits became insolvent. The resource property has not been written down for impairment as it is the Company's understanding that its working interest remains secure.

Update on Resource Property Projects

Motley County, Texas

A decision on a Joint Venture partner and/or to drill will be made in 2007.

Cooke Ranch, Texas

Cooke #3

The Company participated in drilling a 21,000 foot gas exploration well at Cooke Ranch which commenced on June 12, 2005. The well is currently at a depth of 4,175 feet with the first potential gas zone (Wilcox) projected to be encountered at approximately 4,200 feet. Other zones to be tested by this well are the Edwards Limestone (11,000'), Glenrose (12,000'), Sligo (13,600'), Hosston (16,500'), Cotton Valley (18,000') and Smackover (20,000'). Under the Agreement the Company will earn the right to participate in future drilling on an area covering a total of 8,880 acres. The well is currently producing 160 barrels of 47.1 degree api quality oil and 250,000 cubic feet of gas from the Escondito formation. An engineering report was not available as of April 20, 2007 and as a result Company wrote off resource property costs during the year.

Cartwright #1

The Cartwright No. 1 well in La Salle County, Texas is currently being production tested. This well offsets the previous well, Cooke #3, by approximately 1,000 feet.

Once the rig arrives on site, the operator, Bayshore Exploration LLC ("Bayshore"), advises that the well will be completed and put on production utilizing the existing facilities.

Cooke #4

The Cooke #4 well in the Cooke Ranch Field was spudded, plugged and abandoned as it was not commercially viable. Drill-hole tests, after reaching total depth indicate that the potentially productive horizon is likely to be invaded by excessive water flow during production. The other potentially productive formatting did not appear to have sufficient permeability to support commercial production.

Cooke #5

The Cooke #5 well in the Cooke Ranch Field, La Salle County, Texas has been spudded. The well has been drilled to a depth of approximately 6,850 feet. This well is offset approximately 1,200 feet to the northwest of the Cooke No. 3 discovery well. The well has been logged and production casing has been run.

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Summary of Activity (cont'd...)

El Maton Field, Texas

The El Maton Field Prospect consists of 234 acres located in Matagorda County, Texas. The El Maton Field was discovered in 1961 and has produced approximately 44BCF of gas with condensate from 9 producing wells. The Frio section of the field consists of alternating sand and shales. Reservoir sand conditions are good with over 28% porosity and 200 millidarcys of permeability. The #1 Hickl Well on the El Maton Field Prospect has been drilled to a depth of 9,400 feet approximately 1,200 feet northeast of the Davis No. 1 Hickl well. The well has been logged and production casing has been run.

South Erin Block, Trinidad

The South Erin Block is comprised of approximately 1,350 acres and lies in the south western portion of Trinidad about 40 miles southwest of Port of Spain and about 18 miles southwest of San Fernando. The South Erin Block is located in the productive Southern Basin of Trinidad, which forms part of the prolific Eastern Venezuelan Basin. The F.25 CH-7 Well on the Middle Cruse Prospect has been drilled to a depth of 6,000 feet. The well has been logged and production casing has been run.

Results of Operations

During the nine month period ended September 30, 2007, the Company incurred a net loss of \$656,972 (2006 - \$508,458). Some of the significant expenses are as follows: paid or accrued \$69,757 (2006 - \$59,442) in consulting fees, \$81,000 (2006 - \$72,000) in management fees, \$111,592 (2006 - \$130,258) in professional fees, \$111,592 (2006 - \$23,674) in transfer agent fees and filing fees, \$73,716 (2006 - \$65,955) in office, rent and administration, \$57,608 (2006 - \$133,248) in shareholder relations and promotion and \$34,337 in travel (2006 - \$45,719).

Selected Annual Information

The following table provides a brief summary of the Company's financial operations. For more detailed information, refer to the financial statements.

	Year Ended December 31, 2006	Year Ended December 31, 2005	Year Ended December 31, 2004
Total revenues	\$ 194,020	\$ -	\$ -
Net income (loss)	(2,221,253)	(4,092,840)	198,738
Basic and diluted income (loss) per share	(0.06)	(0.16)	0.08
Total assets	4,450,604	4,405,512	1,426,226
Cash dividends	-	-	-

During the year ended December 31, 2006, the Company assets increased to \$4,450,604 (2005 - \$4,405,512) primarily due to an increase in resource property interests. The Company also started receiving revenue during the year ended December 31, 2006 from its working interest in the Cooke Ranch Deep Prospect. The Cooke #3 well has been written off.

During the year ended December 31, 2005, the Company assets increased to \$4,405,512 (2004 - \$1,426,226) primarily due to an increase in resource property interests and cash. The increase was a result of cash payments of \$3,734,955 pursuant to the acquisition of various properties. Cash increased significantly as a result of financings completed during the year ended December 31, 2005.

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Summary of Activity (cont'd...)

Summary of Quarterly Results

	Three Month Period Ended September 30, 2007	Three Month Period Ended June 30, 2007	Three Month Period Ended March 31, 2007	Three Month Period Ended December 31, 2006
Total assets	\$ 7,790,732	\$ 6,855,618	\$ 4,828,235	\$ 4,450,604
Resource properties	4,938,913	4,852,226	2,610,352	2,601,801
Working capital	1,534,090	680,421	2,048,634	1,673,146
Shareholders' equity	6,469,006	5,529,246	4,670,147	4,286,704
Revenues	23,588	54,056	30,316	25,468
Net loss	(378,074)	(183,101)	(95,797)	(1,712,795)
Loss per share	(0.01)	(0.01)	(0.00)	(0.04)

	Three Month Period Ended September 30, 2006	Three Month Period Ended June 30, 2006	Three Month Period Ended March 31, 2006	Three Month Period Ended December 31, 2005
Total assets	\$ 6,155,646	\$ 4,728,601	\$ 4,843,830	\$ 4,405,512
Resource properties	3,709,508	2,532,467	1,752,149	1,653,474
Working capital	2,071,996	2,035,270	2,957,375	2,565,295
Shareholders' equity	5,793,617	4,568,156	4,709,979	4,219,261
Revenues	52,523	48,599	67,430	-
Net (loss) income	20,866	(406,611)	(122,713)	(2,874,921)
Income (loss) per share	0.00	(0.01)	(0.01)	(0.10)

Significant changes in key financial data can be attributed to proceeds received from private placements during the year and warrants.

Liquidity

The Company has financed its operations to date primarily through the issuance of common shares, loans proceeds and advances from related parties. The Company continues to seek capital through various means including the issuance of equity and/or debt.

The financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future.

	September 30, 2007	December 31, 2006
Working capital	\$ 1,534,090	\$ 1,673,146
Deficit	(13,667,143)	(13,010,171)

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Liquidity (cont'd...)

Net cash used in operating activities for the nine month period ended September 30, 2007 was \$266,869 compared to net cash used of \$388,662 during the period ended September 30, 2006 and consists primarily of the operating loss and changes in non-cash working capital items.

Net cash used in investing activities for the nine month period ended September 30, 2007 was \$2,323,147 compared to net cash used of \$1,435,558 during the period ended September 30, 2006. The cash used in investing activities during the period consists primarily of expenditures on resource properties.

Net cash provided by financing activities for the nine month period ended September 30, 2007, was \$2,483,379 compared to net cash provided of \$1,831,659 for the period ended September 30, 2006. The cash provided by financing activities during the period primarily consists of subscriptions received for warrants exercised and private placement subscribed during the period.

Capital Resources

During November 2007, the Company received subscriptions of \$92,000 for 306,667 units. Each unit is expected to consist of one common share and one warrant to purchase one additional share at an exercise price of \$0.40 for a period of two years. The Company received communication that \$50,000 worth of shares, that were already issued, are being returned for cancellation.

On April 4, 2007, the Company issued 2,330,000 shares for total proceeds of \$582,500 pursuant to the exercise of warrants previously granted. At November 19, 2007, \$50,000 of subscriptions were receivable.

On May 7, 2007, the Company granted 350,000 stock options with an exercise price of \$0.20 per share and an expiry date of July 21, 2011.

On June 20, 2007, the Company completed a private placement for \$906,900 by issuing 3,023,000 units at \$0.30 per unit. Each unit consists of one common share and a warrant to purchase an additional common share at a price of \$0.40 per share on or before June 20, 2008.

On July 30, 2007, the Company completed a private placement for \$1,133,600 by issuing 3,778,667 units at \$0.30 per unit. Each unit consists of one common share and a warrant to purchase an additional common share at a price of \$0.40 per share on or before July 30, 2008.

During the year ended December 31, 2006, the Company:

- a) completed a private placement for \$648,400 by issuing 3,242,000 units at \$0.20 per unit. Each unit consists of one common share and one share purchase warrant exercisable at \$0.25 per share until March 20, 2007. Share issue costs of \$30,243 were incurred in connection with the private placement.
- b) completed a private placement for \$1,230,375 by issuing 4,921,500 units at a price of \$0.25 per unit. Each unit consisted of one common share and one half of a share purchase warrant exercisable with each whole warrant at \$0.35 until August 29, 2007. Share issue costs of \$116,191 were incurred in connection with the private placement, including 86,080 agent common shares and 43,040 agent warrants to acquire 43,040 common shares, exercisable at \$0.35 per share until August 29, 2007 valued at \$2,830.
- c) issued 315,000 common shares for total proceeds of \$62,400 pursuant to the exercise of options previously granted.
- d) issued 652,750 common shares for total proceeds of \$164,463 pursuant to the exercise of warrants previously granted.
- e) issued 870,848 shares for settlement of a lawsuit totaling \$226,420. Four companies filed a counterclaim against the Company's original claim that security agreements entered into and debt booked to the Company were invalid. As at December 31, 2004, \$322,581 of these debts were written-off. The Company's issuance of 870,848 shares to the four companies resulted in a Discontinuance of Action and Discontinuance of Counterclaim. Share issue costs of \$1,632 were paid pursuant to the issuance.

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Capital Resources (cont'd...)

- f) granted 200,000 stock options with an exercise price of \$0.20 per share and an expiry date of July 19, 2011.
- g) granted 400,000 stock options with an exercise price of \$0.16 per share and an expiry date of January 23, 2011.

Related Party Transactions

The amounts due from related party is as follows:

	September 30, 2007	December 31 2006
Due from director and officer	\$ 9,576	\$ 4,107

The fair value of the amounts due to or from related parties is not determinable as they have no fixed terms of repayment, do not bear interest and are unsecured.

During the nine month period ended September 30, 2007, the Company paid or accrued:

- i) \$81,000 (2006 - \$72,000) in management fees to a director and officer of the Company.
- ii) \$82,934 (2006 - \$86,060) in professional fees to a firm in which an officer of the Company is a partner.
- iii) \$14,000 (2006 - \$Nil) in administration fees to a daughter of a director and officer of the Company.

Included in accounts payable is \$88,052 (December 31, 2006 - \$28,246) due to a firm in which an officer of the Company is a partner.

These transactions were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Current Share Data

As at November 23, 2007, the Company has 50,716,733 common shares issued and outstanding and has the following stock options and warrants outstanding:

	Number of Shares	Exercise Price	Expiry Date
Stock options	660,000	\$ 0.38	February 2, 2010
	1,660,000	0.20	June 30, 2010
	385,000	0.16	January 23, 2011
	200,000	0.20	July 19, 2011
	350,000	0.20	July 21, 2011
	1,200,000	0.26	August 20, 2012
	600,000	0.32	October 23, 2011
Warrants	3,023,000	0.40	June 20, 2008
	4,140,334	0.40	July 30, 2008

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New Accounting Policy - Financial instruments

Effective January 1, 2007, the Company adopted the new recommendations of the Canadian Institute of Chartered Accountants (“CICA”) under CICA Handbook Section 1530 “Comprehensive Income” (“Section 1530”), Section 3251 “Equity”, Section 3855 “Financial Instruments – Recognition and Measurement” (“Section 3855”), Section 3861 “Financial Instruments – Disclosure and Presentation” and Section 3865 “Hedges”. These new sections, which apply to fiscal years beginning on or after October 1, 2006, provide requirements for the recognition and measurement of financial instruments and on the use of hedge accounting. Section 1530 establishes standards for reporting and presenting comprehensive income which is defined as the change in equity from transactions and other events from non-owner sources. Other comprehensive income refers to items recognized in comprehensive income but that are excluded from net income calculated in accordance with Canadian generally accepted accounting principles.

Under Section 3855, all financial instruments are classified into one of five categories: held-for-trading, held-to-maturity investments, loans and receivables, available-for-sale financial assets or other financial liabilities. All financial instruments and derivatives are measured in the balance sheet at fair value except for loans and receivables, held-to maturity investments and other financial liabilities which are measured at amortized cost. Subsequent measurement and changes in fair value will depend on their initial classification as follows: (1) held-for-trading financial assets are measured at fair value and changes in fair value are recognized in net income; (2) available-for-sale financial instruments are measured at fair value with changes in fair value recorded in other comprehensive income until the instrument is derecognized or impaired; and (3) all derivative instruments, including embedded derivatives, are recorded in the balance sheet at fair value unless they qualify for the normal sale normal purchase exemption and changes in their fair value are recorded in income unless cash flow hedge accounting is used, in which case changes in fair value are recorded in other comprehensive income.

As a result of the adoption of these new standards, the Company has classified its cash as held-for-trading. Receivables and due from related parties are classified as loans and receivables. Investments are classified as available for sale, all of which are measured at the quoted market price. Accounts payable and accrued liabilities as well as due to directors are classified as other financial liabilities, all of which are measured at amortized cost. The Company has elected to measure all derivatives and embedded derivatives at fair value and the Company has maintained its policy not to use hedge accounting.

Section 3855 also provides guidance on accounting for transaction costs incurred upon the issuance of debt instruments or modification of a financial liability. Transaction costs are now deducted from the financial liability and are amortized using the effective interest method over the expected life of the related liability.