



MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

For the nine months ended September 30, 2018

Date of report: November 29, 2018

The following management's discussion and analysis ("MD&A") should be read in conjunction with the consolidated financial statements and related notes for Max Resource Corp. ("MAX" or the "Company") for the nine months ended September 30, 2018 with the audited financial statements and notes thereto for the year ended December 31, 2017, all of which are available at www.sedar.com. This MD&A is based on information available as at November 29, 2018.

Management is responsible for the preparation and integrity of the Company's consolidated financial statements, including the maintenance of appropriate information systems, procedures and internal controls. Management is also responsible for ensuring that information disclosed externally, including that within the Company's consolidated financial statements and MD&A, is complete and reliable.

The accompanying unaudited condensed consolidated interim financial statements for the nine months ended September 30, 2018 have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the IFRS Interpretations Committee. All amounts are expressed in Canadian dollars, unless otherwise stated.

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This MD&A may contain certain statements that may be deemed "forward-looking statements". All statements in this document, other than statements of historical fact, which address events or developments that the Company expects to occur, are forward-looking statements. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "potential", "interprets" and similar expressions, or events or conditions that "will", "would", "may", "could" or "should" occur. Forward-looking statements in this document include statements regarding future exploration programs, joint venture partner participation, liquidity and effects of accounting policy changes.

Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results may differ materially from those in forward-looking statements. Factors that could cause the actual results to differ materially from those in forward-looking statements include market prices, exploration success, continued availability of capital and financing, inability to obtain required regulatory or governmental approvals and general economic, market or business conditions. Readers are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements.

Forward-looking statements are based on the beliefs, estimates and opinions of the Company's management on the date the statements are made. The Company undertakes no obligation to update these forward-looking statements in the event that management's beliefs, estimates, opinions or other factors should change except as required by law.

These statements are based on a number of assumptions including, among others, assumptions regarding general business and economic conditions, the timing of the receipt of regulatory and governmental approvals for the transactions described herein, the ability of the Company and other relevant parties to satisfy stock exchange and other regulatory requirements in a timely manner, the availability of financing for the Company's proposed transactions and exploration and development programs on

reasonable terms and the ability of third-party service providers to deliver services in a timely manner. The foregoing list of assumptions is not exhaustive. Events or circumstances could cause results to differ materially.

Overall Performance

The Company is a natural resource company engaged in the acquisition and exploration of mineral properties. The Company is currently seeking acquisition targets in Colombia, South America. The Company trades on the TSX Venture Exchange ("TSX-V") under the symbol MXR.

Financings

On January 18, 2018, the Company completed a non-brokered private placement of 8,000,000 units at \$0.05 per unit for gross proceeds of \$400,000. Each unit is comprised of one common share and one share purchase warrant. Each warrant entitles the holder to purchase one additional common share at a price of \$0.075 per share until January 18, 2023. No finders' fees were paid in conjunction with this private placement.

On February 7, 2018, the Company completed a non-brokered private placement of 6,000,000 units at \$0.09 per unit for gross proceeds of \$540,000. Each unit is comprised of one common share and one share purchase warrant. Each warrant entitles the holder to purchase one additional common share at a price of \$0.12 per share until February 7, 2023. Finders' fees in cash were paid with respect to a portion of this placement, along with the issuance of 80,000 finder warrants exercisable at \$0.12 per share until February 7, 2020.

On May 7, 2018 the Company issued 21,646,666 units at a price of \$0.15 per unit for gross proceeds of \$3,247,000. Each unit was comprised one common share and one-half of one share purchase warrant, with each whole warrant entitling the holder to purchase one additional common share of the company for a period of up to 24 months at a price of \$0.25. Finders' fees of \$230,959.99 were paid in cash with respect to a portion of this placement, along with the issuance of 1,539,733 finder warrants exercisable at \$0.25 per share for a period of 24 months.

Exploration and Evaluation Assets

Gachala Project

The Company has filed nine initial mineral licence applications covering a total area of 17,270 hectares located within the Gachala sedimentary copper basin of eastern Colombia, approximately 60 kilometres east of Bogota. The company's Gachala 100-per-cent-owned licence applications encompass an aggregate total of 39 line kilometres of the 250 km by 120 km belt of Devonian through Cretaceous age rocks in a geological setting conducive to hosting sedimentary copper deposits, believed to be analogous to the Zambian copper belt of Africa (source: Rodriguez and Warden (1993); "Overview of some Colombian gold deposits and their development potential"; Mineralium Deposita Volume 28, pages 47 to 57). The Gachala mineralization appears to be localized at the contact between the Devonian-Permian red beds overlying Cretaceous reducing black shales, one of the settings typical of these copper deposits.

Three of the licence applications cover a 19-kilometre-long continuous section of the Cano Negro area, where historic sampling has identified a 25-kilometre strike length of copper enrichment with grades ranging from 0.6% to 13% copper (source: C. Rodriguez and A.J. Warden; "1993 Overview of Some Colombian Gold Deposits and Their Development Potential"; Mineralium Deposita Volume 28, pages 47 to 57)). The Cano Negro area appears to lie on the eastern limb of the 32-kilometre Anticlinal Montecristo.

Two licence applications cover the western limb of the Anticlinal Montecristo in the area adjacent to and immediately north of the Sinai property where Rio Tinto Mining and Exploration Ltd. completed stream sediment and limited rock sampling in 1999. It took a total of 47 rock samples with 12 returning values in excess of 1% copper, ranging from 1.6% to 7.82% (source: E.E. Vargas Ruiz, 1999; Exploracion Geoquimica Chivor Colombia Rio Tinto Mining and Exploration Ltd.). The company cautions investors that mineralization on the Sinai property is not necessarily indicative of similar mineralization on its licence applications. The company's Gachala licence application areas were visited by geologist R. Tim Henneberry, PGeo, and Colombian geologist Carlos Gaviria at the end of May during an initial reconnaissance. A Colombian exploration team under Mr. Gaviria will commence surface survey exploration programs mid-June to confirm the 1993 and 1999 sampling results and locate and identify bedrock copper mineralization for following up trenching and diamond drilling.

The two most recent licence applications are contiguous to the three of the earlier licence applications southwest of the Cano Negro area, where historical sampling has identified a 25-kilometre strike length of copper enrichment with grades ranging from 0.6 per cent to 13 per cent copper (source: C. Rodriguez and A.J. Warden (1993); "Overview of some Colombian gold deposits and their development potential"; Mineralium Deposita, Vol. 28, pages 47 to 57). The Cano Negro area appears to lie on the eastern limb of the 32-kilometre Anticlinal Montecristo. This led to the staking of additional claims in the area.

Novita Project

The Company has continued its due diligence on the Novita Project, Choco Department, Colombia in support of the acquisition of the project as outlined in the June 18, 2018 news release.

The Company plans to explore the Novita project for conglomerate-hosted gold deposits. The historic literature on the Choco Department has documented several locations of "caliche" or conglomerates throughout the area. Historic exploration and mining has focussed on the overlying alluvial deposits, ignoring the conglomerates despite documented gold occurrences with these rocks.

The Company's research has identified numerous prospective areas outside of the Novita property boundary and the Company has been acquiring a number of these target areas by staking. The Company is formulating exploration plans for these areas.

Results of Operations

Three months ended September 30, 2018

During the three months ended September 30, 2018 (the "current period"), the Company incurred a loss of \$739,602 as compared to a loss of \$1,061 for the three months ended September 30, 2017 (the "comparative period"). The significant variances between the current period compared to the comparative period are as follows:

During the current three-month period, the Company incurred consulting expenses totalling \$250,740 and management fees totalling \$51,800. The comparative period had no costs in either of these categories as the Company was on care and maintenance and expending very little. As a result of new management in the current period, the level of activity has significantly increased as further described in the Company's news releases available on SEDAR. Management has obtained numerous qualified consultants to assist in the process of raising capital and the sourcing and review of potential acquisition candidates.

Property investigation increased from \$Nil to \$59,349 in the current period as the Company has incurred costs from geologists and industry experts related to the sourcing and verifying of potential projects for acquisition. Additionally, the Company has incurred confidentiality and exclusivity costs with certain vendors to ensure privacy of negotiations. No costs were expended on property investigation during the comparative period.

Travel costs during the current period totalled \$67,044 compared to \$Nil in the comparative period. Travel costs are related to management and consultants investigating acquisition candidates and attending industry tradeshows.

Professional fees increased to \$192,661 during the current period from \$5,371 incurred during the comparative period as there were additional accounting and legal fees incurred with respect to the drafting and negotiation of contracts, accounting and legal due diligence on potential acquisition candidates, and the completion of a private placement during the current period.

Nine months ended September 30, 2018

During the nine months ended September 30, 2018 (the "current period"), the Company incurred a loss of \$2,181,770 as compared to a loss of \$29,748 for the nine months ended September 30, 2017 (the "comparative period"). The significant variances between the current period compared to the comparative period are as follows:

During the current nine-month period, the Company incurred consulting expenses totalling \$734,938 and management fees totalling \$175,300. The comparative period had no costs in either of these categories as the Company was on care and maintenance expending very little costs. As described above, new management has increased the level of activity significantly during the current period.

Property investigation increased from \$Nil to \$591,678 in the current period as the Company has incurred costs from geologists and industry experts related to the sourcing and verifying of potential projects for acquisition. Additionally, the Company has incurred confidentiality and exclusivity costs with certain vendors to ensure privacy of negotiations. No costs were expended on property investigation during the comparative period.

Travel costs during the current period totalled \$176,161 compared to \$Nil in the comparative period. Travel costs are related to management and consultants investigating acquisition candidates and attending industry tradeshows.

Professional fees increased to \$308,446 during the current period from \$8,996 incurred during the comparative period. As stated above, additional legal and accounting costs were incurred due to the drafting and negotiation of contracts, due diligence, and the completion of a financing during the current period.

Summary of Quarterly Results

	Q3-18	Q2-18	Q1-18	Q4-17	Q3-17	Q2-17	Q1-17	Q4-16
Other Items (\$)	-	-	-	-	-	-	-	-
Income (loss) (\$)	(739,602)	(959,140)	(483,027)	(52,089)	(1,061)	(13,490)	(15,197)	(35,950)
Income (loss) per Share(\$)	(0.01)	(0.02)	(0.02)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)

The loss for the fourth quarter of fiscal 2016 increased slightly to \$35,950 from \$32,385 incurred during the third quarter of fiscal 2016. Operating expenses remained consistent between the two periods.

The loss for the the first quarter of fiscal 2017 was reduced to \$15,197 from the \$35,950 due primarily to the elimination of consulting and management fees in the current period in an effort to conserve cash.

The loss for the second quarter of fiscal 2017 slightly decreased to \$13,490 from the \$15,197 incurred during the first quarter of fiscal 2017. Operating expenses remained consistent between the two periods.

The loss for the third quarter of fiscal 2017 was reduced due to the gain on settlement of debt of \$10,500. Operating expenses remained consistent with the second quarter of fiscal 2017.

The loss for the fourth quarter of fiscal 2017 increased due to the accrual for the Company's annual audit and the accrual of management and consulting fees.

The loss for the first quarter of fiscal 2018 increased due to costs associated with management changes, financing, and identifying projects suitable for acquisition.

The loss for the second quarter of fiscal 2018 increased significantly due to costs associated to locating suitable acquisition targets and the addition of consultants for this purpose. As a result of this, the Company incurred \$345,279 in property investigation costs, \$367,990 in consulting costs, and \$123,500 in management fees during this quarter.

The loss for the third quarter of fiscal 2018 decreased compared to Q2 and continues to reflect the increased level of activity within the Company as described above.

The Company was on care and maintenance during fiscal 2017 and became significantly more active in fiscal 2018.

Liquidity and Solvency

At September 30, 2018, the Company had working capital of \$1,844,565 including cash on hand of \$1,535,380. This compares to a working capital deficiency of \$217,977 at December 31, 2017, inclusive of cash of \$228,825.

The increase in cash of \$1,306,556 during the nine months ended September 30, 2018 was primarily due to receipt of net cash from three private placement financings which totalled \$3,801,140 and the receipt of \$354,500 for the exercise of warrants. This was offset by the loss for the period of \$2,181,770, the increase in deposits (\$100,000), and the increase in prepaid expenses (\$284,025).

Cash flow to date has not satisfied the Company's operational requirements. The development of the Company in the future will depend on the Company's ability to obtain additional financings. While the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable.

Capital Resources

As at September 30, 2018, the Company had a cash and cash equivalents balance of \$1,535,380 (December 31, 2017: \$228,825) to settle current liabilities of \$51,939 (December 31, 2018: \$16,181). The Company expects to fund its liabilities and its acquisition, exploration and operational activities through cash on hand over the remainder of the fiscal year.

Off Balance Sheet Arrangements

The Company has no off-Balance Sheet arrangements as of the date of this MD&A.

Transactions With Related Parties

Related party balances

The following amounts due to related parties are included in trade payables and accrued liabilities:

	September 30, 2018	December 31, 2017
Company controlled by a director of the Company	\$ -	\$ -
Director and significant shareholder of the Company	-	-
	\$ -	\$ -

These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

At September 30, 2018, the Company owed \$Nil (December 31, 2017 - \$Nil) in related party loans. The loans bore interest at 12% per annum, were unsecured and had no fixed terms of repayment. During the year ended December 31, 2017, the Company accrued interest of \$10,032 (2016 - \$9,971) which was included in accounts payable. During the year ended December 31, 2017, the Company repaid the loans and accrued interest.

Key management personnel compensation (consisting of management and certain directors)

Nine months ended:	September 30, 2018	September 30, 2017
Short-term employee benefits:		
Management fees paid to the CEO and a Director (Brett Match) ¹	\$ 124,800	\$ -
Payment due on termination of a management agreement with a company controlled by the former CEO and a Director (Stuart Rogers) ¹	\$ 25,000	\$ -
Management fees paid to the CFO (Alex Helmel)	\$ 25,500	\$ -
	\$ 175,300	\$ -

¹ Brett Match was appointed as CEO of the Company on February 15, 2018 replacing Mr. Stuart Rogers

² Alex Helmel was appointed CFO of the Company on March 13, 2018 replacing Mr. Mark Gelmon

Third Quarter Highlights

The Company's focus during the third quarter was to pursue the acquisition target in Colombia as announced on June 18, 2018 while continuing to investigate mineral exploration projects within the same region.

Critical Accounting Estimates

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ significantly from these estimates.

Areas requiring a significant degree of estimation relate to the determination of the recoverability of the carrying value of exploration and evaluation assets, fair value measurements for stock-based compensation and other equity-based payments, the recognition and valuation of provisions for restoration and environmental liabilities, and the recoverability and measurement of deferred tax assets and liabilities. Actual results may differ from those estimates and judgments.

Changes in Accounting Policies including Initial Adoption

The Company has adopted new accounting policies as disclosed in the accompanying financial statements.

Classification of financial instruments

Financial assets included in the statement of financial position are as follows:

	September 30, 2018	December 31, 2017
Financial Asset:		
Cash	\$ 1,535,380	\$ 228,825

Financial liabilities included in the statement of financial position are as follows:

	September 30, 2018	December 31, 2017
Non-derivative financial liabilities:		
Trade payables	\$ 51,939	\$ 8,181
Amounts due to related parties	-	-
Related party loans	-	-
	\$ 51,939	\$ 8,181

Fair value

The fair value of the Company's financial assets and liabilities approximates the carrying amount.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data. The following is an analysis of the Company's financial assets measured at fair value as at September 30, 2018 and December 31, 2017:

	As at September 30, 2018		
	Level 1	Level 2	Level 3
Cash	\$ 1,535,380	\$ -	\$ -

	As at December 31, 2017		
	Level 1	Level 2	Level 3
Cash	\$ 228,194	\$ -	\$ -

Financial Risk and Capital Management

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The majority of cash is deposited in bank accounts held with major banks in Canada. As most of the Company's cash is held by one bank there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. The Company's secondary exposure to risk is with its GST receivable. This risk is considered to be minimal.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash and cash equivalents.

Historically, the Company's sole source of funding has been from the issuance of equity securities for cash, primarily through private placements and from loans advanced by related parties. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

Foreign exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is exposed to currency risk as it incurs expenditures that are denominated in United States dollar while its functional currency is the Canadian dollar. The Company does not hedge its exposure to fluctuations in foreign exchange rates.

The following is an analysis of Canadian dollar equivalent of financial assets and liabilities that are denominated in United States dollars:

	September 30, 2018	December 31, 2017
Cash	\$ 464	\$ 557
Trade payables and accrued liabilities	-	-
	\$ 464	\$ 557

Based on the above net exposures, there would be a nominal impact on the Company's net loss should there be a significant change in the United States dollar to Canadian dollar exchange rate.

Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of working capital deficiency and share capital. There were no changes in the Company's approach to capital management during the year. The Company is not subject to any externally imposed capital requirements.

Contingencies

The Company is not aware of any contingencies or pending legal proceedings as of the date of this MD&A.

Other MD&A Requirements

Equity Securities Issued and Outstanding

The Company has 54,884,864 common shares issued and outstanding as of the date of this MD&A. In addition, there are 30,436,066 share purchase warrants outstanding at exercise prices between \$0.075 and \$0.20 per share expiring between March 31, 2019 and February 6, 2023. There are no stock options outstanding.

Other Information

Additional information relating to the Company can be found on the Company's website at www.maxresource.com and on SEDAR at www.sedar.com.

Subsequent Events

Subsequent to the period, 1,200,000 warrants exercisable at \$0.10 per share expired unexercised.