

**EARLY WARNING REPORT FILED PURSUANT TO PART 3 OF NATIONAL
INSTRUMENT 62-103 (THE "INSTRUMENT")**

(a) Name and address of offeror

Folkston Investments Limited
C/o Suite 2211, 22nd Floor
Tower 2, Times Square
1 Matheson Street
Causeway Bay
Hong Kong

(b) Designation and number or principal amount of securities and the offeror's security holding percentage in the class of securities of which the offeror acquired ownership or control in the transaction or occurrence giving rise to the obligation to file the news release and whether it was ownership or control that was acquired in those circumstances

On May 7, 2018, Folkston Investments Limited ("Folkston") acquired beneficial ownership of 6,666,666 units ("Units") in the capital of Max Resource Corp. ("Max") through a private placement offering. Each Unit consisted of one Common Share and one-half of one transferable share purchase warrant, with each whole warrant entitling Folkston to purchase one additional common share of Max for a period of up to twenty-four months at a price of \$0.25. The 6,666,666 Common Shares forming part of the Units acquired and the represent approximately 12.38% of the issued and outstanding Common Shares as at May 7, 2018.

(c) Designation and number or principal amount of securities and the offeror's security holding percentage in the class of securities immediately after the transaction or occurrence giving rise to obligation to file the news release

6,666,666 Common Shares, representing approximately 12.38% of the currently issued and outstanding Common Shares (or 9,999,999 Common Shares representing approximately 18.57% of the currently issued and outstanding Common Shares assuming all warrants held by Folkston are exercised and converted into Common Shares).

(d) Designation and number of principal amount of securities and the percentage of outstanding securities of the class of securities referred to in paragraph (c) over which:

(i) the offeror, either alone or together with any joint actors, has ownership and control;

6,666,666 Common Shares, representing approximately 12.38% of the currently issued and outstanding Common Shares (or 9,999,999 Common Shares representing approximately 18.57% of the currently issued and outstanding Common Shares assuming all warrants held by Folkston are exercised and converted into Common Shares).

(ii) the offeror, either alone or together with any joint actors, has ownership but control is held by other persons or companies other than the offeror or any joint actor; and

Not applicable.

(iii) the offer, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.

Not applicable.

(e) Name of the market in which the transaction or occurrence that gave rise to the news release took place

The acquisition of 6,666,666 Units was completed on May 7, 2018, on the Canadian Securities Exchange, from Max's treasury pursuant to a private placement offering.

(e.1) The value, in Canadian dollars, of any consideration offered per security if the offeror acquired ownership of a security in the transaction or occurrence giving rise to the obligation to file a news release

6,666,666 Units at a purchase price of \$0.15 per Unit.

(f) The Purchase of the offerer and any joint actors in effecting the transaction or occurrence that gave rise to the new release, including any future intention to acquire ownership, or control over, additional securities of the reporting issuer.

Folkston effected the acquisition of Common Shares for investment purposes and reserves the right to purchase additional securities of Max from time to time and to dispose of any securities of Max that they may own.

(g) General nature and the material terms of any agreement, other than lending arrangements, with respect to securities of the reporting issuer entered into by the offeror, or any joint actor, and the issuer of the securities or any other entity in connection with the transaction or occurrence giving rise to the news release, including agreements with respect to the acquisition, holding, disposition or voting of any of the securities

Not applicable.

(h) Names of any joint actors in connection with the disclosure required by the Instrument

There are no other persons acting jointly or in concert with Folkston.

(i) In the case of a transactions or occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, the nature and value in Canadian dollars of the consideration paid by the offeror

\$999,999.90, representing the purchase price of \$0.15 per Unit

(j) If applicable, a description of any change in any material fact set out in a previous report by the entity under the early warning requirements or Part 4 of the Instrument in respect of the reporting issuer's securities

Not applicable.

(k) If applicable, a description of the exemption from securities legislation being relied on by the offeror and the facts supporting that reliance

Not applicable.