



MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL POSITION AND RESULTS OF OPERATIONS
For the three and nine months ended September 30, 2019

Date of report: November 29, 2019

The following management's discussion and analysis ("MD&A") should be read in conjunction with the unaudited condensed consolidated financial statements and related notes for Max Resource Corp. ("MAX" or the "Company") for the three and nine months ended September 30, 2019 which are prepared in Canadian dollars and in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The financial statements and related notes are available at www.sedar.com.

Management is responsible for the preparation and integrity of the Company's unaudited condensed 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 unaudited condensed consolidated financial statements and MD&A, is complete and reliable.

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 July 9, 2019, the Company issued 2,000,000 units for gross proceeds totalling \$1,200,000 pursuant to a non-brokered private placement. Each unit was comprised of one common share and one half of one share purchase warrant. Each whole warrant enables the holder to acquire one common share at a price of \$0.90 for a two-year period. The Company paid aggregate finder's fees of \$80,080 and issued 133,467 finder warrants with the same terms as the above warrants and with a fair value of \$48,500.

On May 7, 2018, the Company issued 3,607,778 units for gross proceeds totalling \$3,247,000 pursuant to a non-brokered private placement. Each unit was comprised of one common share and one half of one share purchase warrant. Each whole warrant enables the holder to acquire one common share at a price of \$1.50 for a two-year period. The Company paid a finder's fee of \$230,960 and issued 256,622 finder warrants with a fair value of \$196,668 entitling the holder thereof to acquire one common share a price of \$1.50 for a two-year period.

On February 6, 2018, the Company issued 1,000,000 units for gross proceeds totalling \$540,000 pursuant to a non-brokered private placement. Each unit was comprised of one common share and one share purchase warrant. Each warrant enables the holder to acquire one common share at a price of \$0.72 for a five-year period. The Company paid a finder's fee of \$7,200 and issued 13,333 finder warrants with the same terms and with a fair value of \$6,143.

On January 17, 2018, the Company issued 1,333,333 units for gross proceeds totalling \$400,000, pursuant to a non-brokered private placement. Each unit was comprised of one common share and one share purchase warrant. Each warrant enables the holder to acquire one common share at a price of \$0.45 for a five-year period. The Company paid share issue costs of \$2,700 in connection with this private placement.

Exploration and Evaluation Assets

GACHALA COPPER PROJECT

The Company has filed mineral licence applications which have been reduced to cover an area of approximately 164 sq. km which are located within the Gachala sedimentary copper basin of eastern Colombia, approximately 60 kilometres east of Bogota.

The Gachala 100-per-cent-owned licence applications are within 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.

Max Resource cautions investors that it has not yet verified any of the historical data.

Gachala Exploration completed during the Quarter Ended September 30, 2019

None.

Gachala Exploration completed Subsequent to the Quarter Ended September 30, 2019

None.

CHOCO GOLD PROJECT

On October 15, 2019, the Company announced that further to Max Resource Corp.'s press release dated April 3, 2019, the company has terminated the definitive asset purchase agreement with Noble Metals Ltd. to purchase a bundle of resource exploration assets located in the Choco department of Colombia. However, the company is retaining priority mineral applications that are registered to Max for the Choco gold project.

Choco Gold project now consists of wholly owned mineral applications that cover approximately 250 sq. km and are located approximately 120 km SW of Medellín Colombia. These cover or are adjacent to historic production of 605,110 ounces of gold by Choco Pacific Mining (1906 to 1990), and the conglomerate gold discovery, the most recent concentrate results of sample 001 grading 340.84 g/t gold and 111.03 g/t platinum and sample 002 grading 222.06 g/t gold and 113.83 g/t platinum (see April 16, 2019 News Release). The Company has commenced discussions with a potential partner with the prerequisite expertise to assist with the gold bearing conglomerates.

Sample 001 consisted of 26.8 kg of material subsequently panned to a concentrate of 57.99 g which was subsequently assayed and reported. The numbers for sample 002 were 22.8 kg and 39.39 g respectively.

Sources: The historic production figures from R.J. Fletcher & Associates' (2011) review of gold and platinum exploration and production in Choco Province, Colombia, Part 3, a private report for Condoto Platinum Ltd.; the hard-rock sampling data are from the historic exploration files of Condoto Platinum. Max cautions investors it has yet to verify the historic exploration data. Historic exploration data come from 2013 exploration program undertaken by ASX-listed Condoto Platinum disclosed in its Sept. 11, 2013, news release.

Choco Exploration completed during the Quarter Ended September 30, 2019

The Max technical team is reviewing the 2011 through 2014 Condoto Platinum Ltd. exploration data consisting of rock sampling, stream sediment sampling and panned concentrate sampling. In addition, the team are currently reviewing a Long Wave InfraRed (LWIR) survey completed over the entire Choco Gold project.

LWIR analysis, through proprietary processing of Aster satellite data, has the ability to map or identify, through reflectance spectroscopy against a set of known standards, mineral distribution over extremely large areas covered by vegetation and shallow cover. The ground-penetrating nature of infrared radiation in the long-wave bands allows viewing of mineral spectra in the first 30 to 60 centimetres of the earth's surface through dense vegetation. Anomaly maps are then generated for a suite of the 16 most abundant minerals with the area of the survey.

Choco Exploration completed Subsequent to the Quarter Ended September 30, 2019

None.

NORTH CHOCO GOLD-COPPER PROJECT

On October 15, 2019, the Company announced that further to Max Resource Corp.'s press release dated May 8, 2019, the company has terminated the letter of intent (LOI) with Noble and Buena Fortuna Mining Company Pty. Ltd. to acquire up to a 100-per-cent interest in Andaguada Mining Pty. Ltd., which holds an exploration and mining agreement with the Tahami Indigenous Reservation of Alto Andaguada due to challenges surrounding due diligence.

However, the company is retaining priority mineral applications that are registered to the Company, so the North Choco Gold-Copper project now consists of wholly owned mineral applications that cover approximately 250 sq. km, which are located approximately 80 km SW of Medellín Colombia, adjacent to properties held by AngloGold and Continental Gold, encompassing 10 historic gold mines. The recent NW Gold-Copper Discovery (refer 29 October 2019 news release) outcrop reported 1 metre of 49.8 g/t gold and 4.3% copper, which continues under cover in both directions. The target area is also coincident with a Long Wave InfraRed (LWIR) anomaly and with elevated gold-copper soil values. Future work will focus on mapping and sampling along strike to extend the zone and on locating additional parallel zones

AngloGold's 2005 Nuevo Chaquiro copper porphyry discovery is located approximately 18 km northeast of the northeast boundary of North Choco. Nuevo Chaquiro hosts a 2014 inferred mineral resource 604 million tons grading 0.65% copper, 0.32 g/t gold, 4.4 g/t silver and 116 ppm molybdenum representing an inferred 6.1Moz gold & 3.95Mt copper. *Source "Discovery and*

Geology of the Nuevo Chaquiro Cu-Au (Ag-Mo) Porphyry Deposit” by N. Winer, VP Greenfields Colombia, AngloGold Ashanti and undated. Max cautions investors that results from adjacent and nearby properties are not necessarily representative of the mineralization hosted at North Choco.

North Choco Exploration completed during the Quarter Ended September 30, 2019

Max commenced Phase II exploration on the title applications, following up the INGEOMINAS anomalies with ground surveys to verify and expand the anomalies and locate additional anomalies. Exploration was completed on one of the targets, with 71 samples taken over a 20 sq. km area. Results were released subsequent to Quarter End. In addition, Max completed a cloud stitched LWIR survey. The technical team is currently interpreting the LWIR results.

North Choco Exploration completed Subsequent to the Quarter Ended September 30, 2019

The Company announced it was terminating the Andaguada Agreement but will retain the key mineral license applications in the North Choco Gold Copper Project.

The Company announced a high-grade gold-copper discovery at North Choco. A continuous one-metre rock-chip sample at the new NW gold-copper discovery returned 49.8 grams per tonne gold and 4.3 per cent copper, with the mineralized zone continuing under the cover in both directions. The mineralization appears to be structurally controlled within granodiorite to quartz monzonite and is coincident with a long-wave infrared (LWIR) anomaly.

Max was drawn to the blind NW gold-copper discovery area by the historic work of Ingeominas in combination with the recently completed LWIR survey. The regional silt sampling program completed in September and October highlighted creeks draining the discovery area in the opposite direction returning values of 28 parts per billion gold and 338 parts per million copper and 11 ppb gold and 200 ppm copper, respectively.

The NW gold discovery lies on the southeast contact of an LWIR alunite anomaly. Soil sampling completed across the alunite anomaly in the discovery area returned elevated gold and copper values and led to the discovery of the high-grade zone. Once readily accessible, future work will focus on mapping and sampling along strike to extend the zone and on locating additional parallel zones.

CESAR COPPER SILVER PROJECT

The Company recently jointly staked the Cesar copper silver property, covering an area of approximately 2,000 hectares, and located approximately 420 km north of Bogota northeast Colombia. The property is within the prospective Jurassic rock trends of the La Quinta formation; a similar geological environment to the stratabound copper deposits in Chile and Peru. Max is evaluating this 300 km belt with the aim of expanding its copper property holdings. The Company subsequently announced it had acquired the remaining 50% interest in exchange for a 15% Net Profits Return on production.

The Cesar copper-silver project lies within the Andean copper belt which runs north and south along the west side of South America and is the most prolific copper producing region in the world. Cesar represents a type of sedimentary-hosted copper mineralization which is typically flat-lying, near-surface and is known to be extensive in Africa, Poland and Colombia. These types of deposits are generally higher grade than copper porphyry deposits.

Stratabound copper deposits of Jurassic through Cretaceous age are found within volcano-sedimentary sequences throughout the Andean Cordillera of South America and, significant stratabound copper deposits include Raul, Condestable and Cobriza in central Peru; Punta del Cobre, Candelaria, Talcuna, Guayacan, El Soldado and Lo Aquirre in Chile; and Seboruco and Cerro Mono in Venezuela, more importantly, the prospective Jurassic rock trends of the La Quinta formation of northeast Colombia. *Source: Explanatory Notes for the Mineral Resources Map of the Circum-Pacific Region, Southeast Quadrant, by Corvalan et al., 1996.*

Historically, the Cesar project area has been explored from a local context, but never in a broader picture. Initial fieldwork by the company in September has confirmed the widespread historic copper-silver occurrences are more than coincidence and copper mineralization of a significantly larger scale may very well be lurking in the area.

Cesar Exploration completed during the Quarter Ended September 30, 2019

The Company announced initial assay results from Cesar on September 24, including significant copper assays of up to 4.15 per cent and associated silver assays up to 116 grams per tonne from outcrops. A total of 12 distinct outcrops were identified within an area of nine square kilometres open in all directions. Two grab samples taken from each location reported grades ranging from 0.28 per cent to 4.15 per cent copper with 16 of the 24 samples assaying in excess of 1 per cent copper and three of the assay values exceeding 3 per cent copper (refer to the attached table).

Silver also appears to be an important constituent with values ranging from four to 116 grams per tonne. The company cautions investors that grab samples are selected samples and are not necessarily representative of mineralization hosted on the property.

Table 1. Cesar Initial Copper Grab Sample Results

Sample	Type	Copper (%)	Silver (g/t)	Sample	Type	Copper (%)	Silver (g/t)
A-1	Grab	1.31	31.4	A-7	Grab	1.00	12.3
A-1b	Grab	1.10	17.8	A-7b	Grab	0.87	9.1
A-2	Grab	3.84	96.9	A-8	Grab	3.15	23.2
A-2b	Grab	2.66	116.0	A-8b	Grab	4.15	29.0
A-3	Grab	0.85	14.2	A-9	Grab	1.24	5.7
A-3b	Grab	0.86	14.7	A-9b	Grab	2.19	8.9
A-4	Grab	0.50	8.4	A-10	Grab	1.51	4.1
A-4b	Grab	0.65	7.8	A-10b	Grab	2.16	6.6
A-5	Grab	0.28	2.3	A-11	Grab	1.84	4.6
A-5b	Grab	0.43	5.4	A-11b	Grab	2.14	5.7
A-6	Grab	1.45	14.1	A-12	Grab	1.54	10.5
A-6b	Grab	1.97	21.8	A-12b	Grab	1.97	14.3

Cesar Exploration completed subsequent to the Quarter Ended September 30, 2019

The Company announced further assay results from Cesar on November 6, including highlights of 3.02 per cent and associated silver assays including highlights of 59.6 grams per tonne from outcrops. Six additional distinct outcrops and four boulder areas were identified and sampled, bringing the total to 18 distinct areas of copper mineralization within an area of nine square km open in all directions. Two grab samples taken from each of the nine sites reported grades ranging from 0.99 per cent to 3.02 per cent copper with all but one sample returning values in excess of 1 per cent copper and eight of the 19 samples exceeding 2 per cent copper. Combined with the earlier results reported Sept. 24, 2019, grades ranged from 0.28 per cent to 4.15 per cent copper with 34 of the 43 samples assaying in excess of 1 per cent copper, 15 of the 43 assaying in excess of 2 per cent copper and four of the 43 samples assaying in excess of 3 per cent copper. Silver also appears to be an important constituent with values ranging from one to 116 g/t. The company cautions investors that grab samples are selected samples and are not necessarily representative of mineralization hosted on the property.

Table 1. Cesar Follow Up Copper Grab Sample Results

Sample	Type	Copper %	Silver g/t	Sample	Type	Copper %	Silver g/t
A-13	Grab	3.02	7.1	A-17	Grab	1.63	11.2
A-13.1	Grab	3.01	6.7	A-17.1	Grab	1.68	14.1
A-14	Grab	3.60	59.6	A-18	boulder	0.99	1.9
A-14.1	Grab	2.44	5.3	A-18.1	boulder	1.37	4.9
A-15	Grab	2.00	7.3	A-19	boulder	1.58	6.2
A-15.1	Grab	2.28	9.8	A-19.1	boulder	1.63	8.7
A-15.2	Grab	2.10	10.0	A-20	boulder	1.31	2.8
A-16	Grab	1.95	4.3	A-20.1	boulder	2.62	1.2
A-16.1	Grab	1.96	5.6	A-21	Grab	1.69	8.5
				A-21.1	Grab	1.17	1.7

Subsequently on November 21, the Company announced the expansion of its in-country exploration team and the establishment of an exploration office in the regional town of Baranccas in Cesar state, Colombia. The exploration personnel now consist of two distinct field teams, each comprising an in-country geologist, prospector and two local field assistants. These two teams are assigned to different areas on the Cesar copper-silver project reducing the amount of exploration time to advance the project. The current exploration program continues to identify mineralized outcrops, with visible malachite, azurite and chalcocite, hosted in sedimentary and/or volcanoclastic rocks, typical of a sedimentary-hosted system. The first shipment of samples from the November / December program have been sent to ALS Minerals Medellin, with analysis results expected three to four weeks later.

Results of Operations

Nine months ended September 30, 2019

During the nine months ended September 30, 2019 (the “current period”), the Company incurred a loss of \$3,900,736 as compared to a loss of \$2,426,553 for the nine months ended September 30, 2018 (the “comparative period”). The significant variances between the current period compared to the comparative period are as follows:

Exploration and evaluation expenditures totalling \$1,459,695 were expensed in the current period (comparative period: \$244,783) as the amounts do not meet the capitalization criteria under IFRS 6. For further detail, see note 4 of the financial statements for the nine months ended September 30, 2019 and the notes above.

During the current period, the Company incurred consulting expenses totalling \$1,094,883 and management fees totalling \$286,000. The comparative period had lower costs of \$734,938 and \$175,300 respectively. The Company was in the process of a management change during the comparative period and had fewer costs within that period. As a result of the 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 engaged numerous qualified consultants to assist in the process of raising capital and the review of potential acquisition candidates.

Property investigation expenses decreased from \$591,678 to \$128,121 in the current period. During the comparative period, the Company had incurred significantly higher 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 (see note 5 in the Financial Statements for the period ended September 30, 2019).

The company incurred a court settlement cost of \$53,784 during the current period with respect to its U.S. subsidiary which was recorded as a miscellaneous expense and included under “office and miscellaneous”. There was no comparable cost for the 2018 period.

Transfer agent, filing fees and shareholder relations costs increased by \$189,253 to \$267,499 (2018: \$78,246). The increase in costs is attributable to increased advertising costs, filing fees, and distribution of the Company’s news to its shareholders via traditional and social networks.

Three months ended September 30, 2019

During the three months ended September 30, 2019 (the “current period”), the Company incurred a loss of \$1,196,442 as compared to a loss of \$922,314 for the three months ended September 30, 2018 (the “comparative period”). The significant contributors and the significant variances between the current period compared to the comparative period are as follows:

Exploration and evaluation expenditures totalling \$428,998 during the current period were incurred and expensed (comparative period: \$182,712) as described above

Management fees increased by \$12,200 to \$64,000 in the current period as described above.

Property investigation expenses decreased from \$345,279 to \$Nil in the current period as there was no property investigation expenses incurred during Q2 of 2019.

Consulting services increased by \$183,705 to \$434,445 (comparative period: \$250,740).

Professional fees decreased by \$146,365 to \$46,296 (comparative period: \$192,661) as the majority of legal and accounting work required for the proposed transactions (See note 11 of the financial statements for the period ended September 30, 2019) was completed prior to the current period.

Summary of Quarterly Results

	Q3-19	Q2-19	Q1-19	Q4-18	Q3-18	Q2-18	Q1-18	Q4-17
Other Items (\$)	-	-	-	-	-	-	-	-
Income (loss) (\$)	(1,196,442)	(1,513,933)	(1,190,361)	(1,286,437)	(739,602)	(959,140)	(483,027)	(52,089)
Income (loss) per Share (\$)	(0.02)	(0.02)	(0.02)	(0.02)	(0.01)	(0.02)	(0.02)	(0.00)

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 loss for the fourth quarter of fiscal 2018 increased to \$1,286,437 from the \$739,602 incurred during Q3. Property investigation costs, consulting fees, and professional fees were the primary costs during this quarter.

The loss for the first quarter of fiscal 2019 saw continued exploration work in the Choco region. Loss during Q1 2019 was \$1,190,361.

The loss for the second quarter of fiscal 2019 increased due to increased exploration in the North Choco region. Loss in Q2 2019 was \$1,513,934.

The loss for the third quarter of fiscal 2019 increased due to fewer exploration and evaluation expenditures and a decrease in professional fees. The Company maintained exploration on its projects and continued to investigate additional project candidates.

The Company was on care and maintenance during fiscal 2017 and became significantly more active in fiscal 2018 and fiscal 2019.

Liquidity and Solvency

At September 30, 2019, the Company had working capital deficiency of \$223,330 including cash on hand of \$166,943. This compares to working capital of \$811,523 at December 31, 2018, inclusive of cash of \$840,407.

The decrease in cash of \$673,464 during the nine months ended September 30, 2019 was primarily due to receipt of net cash from the exercise of warrants for gross for gross proceeds of \$1,815,400, private placement financing net proceeds of \$1,119,920 offset by net cash used in operating activities of \$ 3,465,288 and an increase in deposits (\$150,000).

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, 2019, the Company had a cash and cash equivalents balance of \$166,943 (December 31, 2018: \$840,407) to settle current liabilities of \$511,252 (December 31, 2018: \$384,334). The Company expects to fund its liabilities and its acquisition, exploration and operational activities over the remainder of the fiscal year with cash on hand and from cash received from the issuance of equity securities, primarily through private placements.

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, 2019	December 31, 2018
Directors and management of the Company	107,000	101,286
	\$ 107,000	\$ 101,286

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

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

Nine months ended:	September 30, 2019	September 30, 2018
Management fees paid to a company controlled by the CEO and a Director (Brett Match) ¹	\$ 190,000	\$ 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
Director fees paid to a Director (Stuart Rogers)	\$ 22,500	\$ -
Director fees paid to a Director (Paul John)	\$ 22,500	\$ -
Management fees paid to a company controlled by the corporate secretary (Kelly Pladson)	\$ 27,000	\$ -
Management fees paid to a company controlled by the CFO (Alex Helmel)	\$ 96,000	\$ 25,500
	\$ 358,000	\$ 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 targets in Colombia and to continue to exploration in the Choco, Cesar, and Gachala project areas.

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 no new accounting policies. See the Company's accompanying financial statements.

Classification of financial instruments

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

	September 30, 2019	December 31, 2018
Financial Assets:		
Cash	\$ 166,943	\$ 840,407

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

	September 30, 2019	December 31, 2018
Non-derivative financial liabilities:		
Trade payables	\$ 511,252	\$ 384,334
	\$ 511,252	\$ 384,334

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, 2019 and December 31, 2018:

	As at September 30, 2019		
	Level 1	Level 2	Level 3
Cash	\$ 166,943	\$ -	\$ -

	As at December 31, 2018		
	Level 1	Level 2	Level 3
Cash	\$ 840,407	\$ -	\$ -

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 or Colombian peso:

	September 30, 2019	December 31, 2018
Cash	\$ 5,389	\$ 3,165
Trade payables and accrued liabilities	38,118	67,490
	\$ 43,507	\$ 70,655

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

As at the date of this report, the Company has:

- 15,918,428 common shares issued and outstanding, 4,343,528 share purchase warrants outstanding, and 75,000 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

- a) On October 15, 2019, the Company announced that further to Max Resource Corp.'s press release dated April 3, 2019, the company has terminated the definitive asset purchase agreement with Noble Metals Ltd. to purchase a bundle of resource exploration assets located in the Choco department of Colombia. Further to the company's press release dated May 8, 2019, the company has terminated the letter of intent (LOI) with Noble and Buena Fortuna Mining Company Pty. Ltd. to acquire up to a 100-per-cent interest in Andagueda Mining Pty. Ltd., which holds an exploration and mining agreement with the Tahami Indigenous Reservation of Alto Andagueda. Both the agreement and the LOI have been terminated due to challenges surrounding access and due diligence.

However, the company is retaining priority mineral applications that are registered to Max for both the Choco gold project and the North Choco gold project and plans to revisit once Max is satisfied that the access issues are resolved.

Max's exploration focus is the Cesar copper-silver property area. The projects in Colombia now held by the company are disclosed herein.

The company is also proposing a consolidation of the company's common shares on the basis of one postconsolidated share for every six preconsolidated shares. The completion of the consolidation will be subject to the approval of the TSX Venture Exchange. The company will issue a further news release announcing further details, including the effective date, of the consolidation.

The board of the company has approved, subject to the approval of the exchange, to issue non-transferrable unsecured convertible debentures up to an aggregate amount of \$1-million that will mature on the date that is 12 months from the date of issuance and bear interest at a rate of 8 per cent per year, calculated and paid in cash quarterly in arrears. Subject to exchange approval, the debentures may be converted by the debentureholder into postconsolidation common shares at any time at a conversion price equal to the closing price of the postconsolidation common shares on the exchange, prior to the delivery of a prepayment notice or conversion notice, as applicable, subject to the exchange's minimum conversion prices.

The debentures and the postconsolidation common shares issuable upon the conversion of the debentures will be subject to a statutory resale restriction of four months and one day from the date of issuance. The company intends to use the proceeds received from the issuance of the debentures for exploration expenses, working capital and general corporate purposes. The issuance of the debentures is subject to exchange approval.

Stuart Rogers has resigned as a director to facilitate the appointment of Patrick Frandle to the board. The company wishes to thank Mr. Rogers for his many years of contributions to the company and wishes him all the best in his future endeavors.

- b) On October 17, 2019, the Company announced that Mr. Theobald has resigned as a director of the Company.

- c) On October 18, 2019 the Company announced that pursuant to a directors resolution dated Oct. 11, 2019, the Company has consolidated its capital on a one-new-for-six-old basis. The name of the Company has not been changed. Effective at the opening of market, Tuesday, Oct. 22, 2019, the common shares of Max Resource Corp. will commence trading on the TSX Venture Exchange on a consolidated basis. The Company is classified as a junior natural resource mining company.
- d) On October 29, 2019, the Company announced that has made a high-grade gold-copper discovery within its 100-per-cent-owned North Choco gold project. Continuous rock-chip sample collected over a one-metre sample interval at the new NW gold-copper discovery returned 49.8 grams per tonne gold and 4.3 per cent copper, with the mineralized zone continuing under the cover in both directions. The mineralization appears to be structurally controlled within granodiorite to quartz monzonite and is coincident with a long-wave infrared (LWIR) anomaly.
- e) On November 6, 2019 the Company released a second set of significant copper assays including highlights of 3.02 per cent and associated silver assays including highlights of 59.6 grams per tonne from outcrops at the company's Cesar copper-silver project, located approximately 420 kilometres north of Bogota, within the copper sedimentary belt of northeast Colombia.
- f) On November 12, 2019, the Company announced that it has appointed Piotr Lutynski, MSc, Peng, to the Company's advisory board and to the role of head geologist.
- g) On November 15, 2019 the Company announced that it has executed an agreement increasing the ownership of its Cesar copper-silver project in Colombia to 100 per cent. The vendor has agreed to retain a share of profits from production, on existing and any future Cesar mineral applications staked by Max.
- h) On November 18, 2019 the Company announced that it has entered into shares-for-debt settlement agreements to issue a total of 2,925,000 (post consolidated) common shares to consultants, directors and officers of the company at a deemed price of 10 cents per settlement share, thereby extinguishing a total of \$292,500 in liabilities. The issuance of the settlement shares is subject to TSX Venture Exchange approval which was received on November 19, 2019 and the shares were issued on November 20, 2019.
- i) On November 21, 2019 the Company announced that as a result of recent field observations at the company's Colombian Cesar copper-silver project, located 420 kilometres north of Bogota, Max Resource Corp. has expanded its in-country exploration team and established an exploration office in the regional town of Baranccas in Cesar state, Colombia.

The exploration personnel now consist of two distinct field teams, each comprising an in-country geologist, prospector and two local field assistants. These two teams are assigned to different areas on the Cesar copper-silver project reducing the amount of exploration time to advance the project.

The current exploration program continues to identify mineralized outcrops, with visible malachite, azurite and chalcocite, hosted in sedimentary and/or volcanoclastic rocks, typical of a sedimentary-hosted system. The first shipment of samples from the current program will be sent to ALS Minerals Medellin in the next week, with analysis results expected three to four weeks later