



MANAGEMENT'S DISCUSSION AND ANALYSIS  
OF FINANCIAL POSITION AND RESULTS OF OPERATIONS  
For the nine months ended September 30, 2021

**1.1 Date of report: November 26, 2021**

The following management's discussion and analysis ("MD&A") should be read in conjunction with the unaudited condensed interim consolidated financial statements and notes thereto for Max Resource Corp. ("MAX" or the "Company") for the three and nine months ended September 30, 2021 and the audited consolidated financial statements and related notes for the years ended December 31, 2020 and 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](http://www.sedar.com).

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.

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.

## 1.2 Overall Performance

The Company is a natural resource company engaged in the acquisition and exploration of mineral properties in South America and Canada. The Company trades on the TSX Venture Exchange (“TSX-V”) under the symbol MXR. In February 2021, the Company was ranked in the top 10 performing stocks in the 2021 TSX Venture 50, which is comprised of the top 50 from over 1,600 companies on the TSX-V.

The Company owns the following subsidiaries:

| Name  | Jurisdiction             |
|---|--------------------------|
| Gachala Colombia Corp.                              | British Columbia, Canada |
| Gachala Colombia Corp Sucursal Colombia (“Gachala”) | Colombia                 |
| PGE Americas Metals Corp.                           | British Columbia, Canada |
| Valleduper Colombia Corp.                           | British Columbia, Canada |
| Valleduper Colombia SAS (“Valleduper”)              | Colombia                 |
| Baccancas Colombia Corp.                            | British Columbia, Canada |
| Baccancas Colombia SAS (“Baccancas”)                | Colombia                 |
| Bocono Colombia Corp.                               | British Columbia, Canada |
| Bocono Colombia Corp S.A.S. (“Bocono”)              | Colombia                 |
| TUCO Resource Corp.                                 | British Columbia, Canada |
| TUCO Resource Corp. S.A.C (“TUCO”)                  | Peru                     |

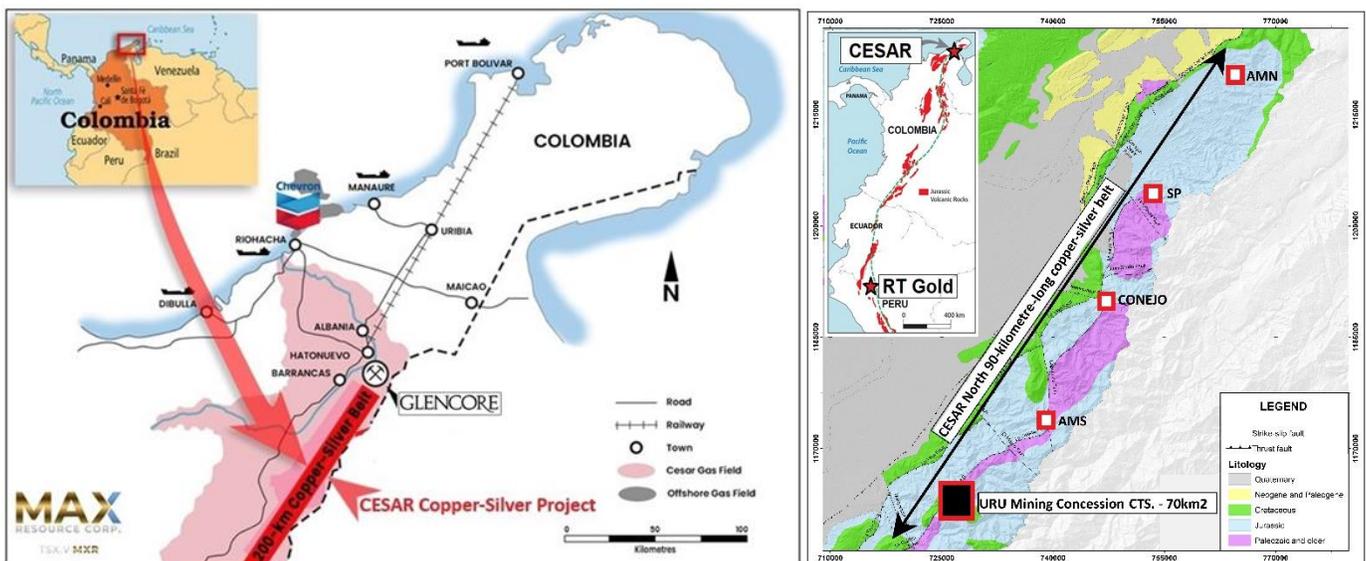
## Financings

The Company has not completed any financings during the nine months ended September 30, 2021.

## Exploration and Evaluation Assets

### CESAR COPPER-SILVER PROJECT, NE COLOMBIA

The CESAR project in North Eastern Colombia located along the copper-silver rich Cesar Basin. This region enjoys major infrastructure as a result of oil & gas and mining operations, including Cerrejon, the largest coal mine in South America, owned by global miner Glencore.



Geologically, Max interprets the sediment-hosted stratiform copper-silver mineralization in the Cesar basin to be analogous to both the Central African Copper Belt (CACB) to the south and the Polish Kupferschiefer to the north. Almost 50% of the copper known to exist in sediment-hosted deposits is contained in the CACB, including Ivanhoe Mines Ltd (TSX: IVN) 95-billion-pound Kamao-Kakula copper deposits in the Congo.

Kupferschiefer, the world's largest silver producer and Europe's largest copper source, is a mining orebody ranging from 0.5 to 5.5m thick at depths of 500m, grading 1.49% copper and 48.6 g/t silver. The silver yield is almost twice the production of the world's second largest silver mine.

*Source: Central African Belt Descriptive models, grade-tonnage relations, and databases for the assessment of sediment-hosted copper deposits with emphasis on deposits in the Central Africa Copperbelt, Democratic Republic of the Congo and Zambia by USGS 2010. Kamao-Kakula by OreWin March 2020. World Silver Survey 2020 and Kupferschiefer Deposits & Prospects in SW Poland, September 27, 2019. Max cautions investors that the presence of copper mineralization of the Central African Copper Belt and the Polish Kupferschiefer are not necessarily indicative of similar mineralization at CESAR.*

- CESAR North 90-km-long target zone:
  - In 2020, Max discovered both the copper-silver rich AMS (previously named AM South) zone and the AMN (previously named AM North) zone, 40-km north, collectively spanning over 45-km<sup>2</sup>, highlight values 34.4% copper and 305 g/t silver. Intervals ranging 0.1 to 25.0m;
  - Max's CONEJO discovery (March 2021), now spans over 3.7-km of strike and open in all directions. To date, 13 rock samples returned values greater than 8.0% copper; 53 returned values greater than 5.0% copper; 93 returned values 2.0% copper and above; 36 returned values greater than 20 g/t silver. Widths range from 0.5 to 20.0m. Highlight values of 12.5 % copper and 126 g/t silver (November 3, 2021, NR):
    - 12.5% copper + 84 g/t silver over 5.0m by 5.0m
    - 10.5% copper + 50 g/t silver over 3.0m by 2.0m
    - 10.4% copper + 95 g/t silver over 5.0m by 5.0m
    - 10.2% copper + 62 g/t silver over 5.0m by 5.0m
    - 10.0% copper + 80 g/t silver over 5.0m by 5.0m
    - 9.9% copper and 50 g/t silver over widths of 2.0m
    - 9.3% copper and 126 g/t silver over widths of 2.0m
  - The URU discovery (April 2021) is located 30-km south of CONEJO, now spans over 48-km<sup>2</sup> and open in all directions. URU appears to have major-scale potential; Highlight values of 14.8% copper and 132 g/t silver. Widths range from 1.0 to 10.0m:
    - 14.8% copper and 132 g/t silver over 1.5m x 0.8m
    - 6.5% copper and 6 g/t silver over widths of 1.0m
    - 5.6% copper and 87 g/t silver over 1.0m by 1.0m
    - 4.3% copper and 8 g/t silver over widths of 10.0m
    - 3.9% copper and 7 g/t silver over widths of 10.0m
    - 3.6% copper and 12 g/t silver over widths of 10.0m
    - 3.0% copper and 6 g/t silver over widths of 10.0m
    - 3.0% copper and 37 g/t silver over widths of 10.0m
    - Recently granted four contiguous Mining Concession Contracts covering 70-km<sup>2</sup> of the URU target zone (November 24, 2021, NR)
  - The SP target is located within the mid portion of the CESAR North 90-km-long-copper-silver belt, reconnaissance sampling over 25.0m averaged 4.8% copper and 51 g/t silver is considered significant.

Next Steps:

- Continue the CESAR copper-silver regional exploration programs
- Infill mapping and sampling of the entire 70-km<sup>2</sup>
- Ground geophysical surveys to zero in on drill targets
- Environmental and socio-economic surveys for drill permitting
- Phase one drilling of the delineated targets

### CESAR Exploration Completed During the Nine Months Ended September 30, 2021

On July 7, 2021, Max announced expansion of the URU zone from 4 to 12-km of strike and appears to be continuous over 12-km, and open in all directions.

On August 10, 2021, Max released the next series of assay results from the URU Zone: 8 rock samples over widths ranging from 10.0 to 25.0m returned values of 2.0% copper and above, and 21 returned values greater than 1.0% copper, with highlight values of 3.9% copper and 37 g/t silver. The plus 2.0% copper rock chip channel results include:

- 3.9% copper and 7 g/t silver over widths of 10.0m
- 3.0% copper and 6 g/t silver over widths of 10.0m
- 3.0% copper and 37 g/t silver over widths of 10.0m
- 2.5% copper and 12 g/t silver over widths of 10.0m
- 2.4% copper and 12 g/t silver over widths of 10.0m
- 2.0% copper and 9 g/t silver over widths of 10.0m

**August 10, 2021 Table 1. URU Assay Results in Excess of 1.0% Copper**

| Sample | Sample Type         | Width (m) | Copper (%) | Silver (g/t) |
|--------|---------------------|-----------|------------|--------------|
| 878781 | Chip channel        | 10.0      | 3.9        | 7            |
| 876379 | Chip channel        | 10.0      | 3.0        | 6            |
| 876363 | Chip channel        | 10.0      | 3.0        | 37           |
| 876288 | Representative grab | 25.0      | 2.7        | 3            |
| 876253 | Chip channel        | 10.0      | 2.5        | 12           |
| 876262 | Chip channel        | 10.0      | 2.4        | 12           |
| 876278 | Representative grab | 25.0      | 2.2        | 6            |
| 878761 | Chip channel        | 10.0      | 2.0        | 9            |
| 876307 | Rock Panel          | 1.0 x 1.0 | 2.0        | 9            |
| 876531 | Chip channel        | 10.0      | 1.9        | 4            |
| 876350 | Chip channel        | 10.0      | 1.8        | 2            |
| 876530 | Chip channel        | 10.0      | 1.7        | 2            |
| 876398 | Chip channel        | 10.0      | 1.7        | 6            |
| 876380 | Chip channel        | 10.0      | 1.5        | 2            |
| 878769 | Chip channel        | 10.0      | 1.5        | 3            |
| 876294 | Representative grab | 25.0      | 1.4        | 2            |
| 876528 | Chip channel        | 10.0      | 1.3        | 3            |
| 878790 | Representative grab | 25.0      | 1.2        | 4            |
| 876518 | Chip channel        | 10.0      | 1.1        | 2            |
| 878770 | Chip channel        | 10.0      | 1.1        | 2            |
| 876520 | Chip channel        | 10.0      | 1.1        | 3            |
| 878784 | Representative grab | 25.0      | 1.1        | 4            |
| 876515 | Chip channel        | 10.0      | 1.0        | 2            |

On September 2, 2021, Max released initial assay results for SP, a new target located midway along the Cesar North 90-kilometre-long belt, in line with the four previous discoveries the URU, Conejo, AMN and AMS zones.

**September 2, 2021 Table 1. SP Assay Results in Excess of 1.0% Copper**

| Copper | Silver  | Width     | Sample # |
|--------|---------|-----------|----------|
| 4.8%   | 51 g/t  | 25-metre  | 876502   |
| 1.0%   | 6 g/t   | 25-metre  | 876509   |
| 6.3%   | 47 g/t  | 0.5-metre | 867233   |
| 12.4%  | 162 g/t | float     | 876130   |

Max cautions investors that grab sampling can be selective and are not necessarily representative of the mineralization.

## CESAR Exploration Completed Subsequent to the Nine Months Ended September 30, 2021

On October 7, 2021, Max released further assay results from URU expanding the zone from 12-km<sup>2</sup> to 48-km<sup>2</sup>. Eighteen rock samples collected over widths ranging from 1.0 to 10.0m returned values in excess of 2.0% copper. Thirty-two returned values greater than 1.0% copper. Highlights include:

- 14.8% copper and 132 g/t silver over a 1.5m by 0.8m panel (876798);
- 6.5% copper and 6 g/t silver over widths of 1.0m chip channel (876931);
- 5.6% copper and 87 g/t silver over 1.0m by 1.0m panel (879972);
- 4.0% copper and 42 g/t silver over 1.0m by 1.0m panel (879975);
- 3.7% copper and 14 g/t silver over widths of 5.0m chip channel (876486);
- 2.9% copper and 7 g/t silver over widths of 10.0m representative (876460);
- 2.1% copper and 3 g/t silver over widths of 10.0m representative (876478);
- 2.0% copper and 20 g/t silver over widths of 10.0m representative (876922);

URU's continuous copper-silver mineralization currently spans over 48-km<sup>2</sup>, extending in excess of 12km along strike and 4km downdip from the elevation of 1,200m down to 410m. The zone is open along strike and downdip.

**October 7, 2021 Table 1. URU Assay Results in Excess of 1.0% Copper**

| Copper | Silver  | Width                  | Sample # |
|--------|---------|------------------------|----------|
| 14.8%  | 132 g/t | 1.5m x 0.8m - Panel    | 876798   |
| 6.7%   | 68 g/t  | 0.3m – Chip Channel    | 876935   |
| 6.5%   | 6 g/t   | 1.0m – Chip Channel    | 876931   |
| 5.6%   | 87 g/t  | 1.0m x 1.0m - Panel    | 879972   |
| 5.4%   | 133 g/t | 0.5m – Chip Channel    | 876755   |
| 4.2%   | 105 g/t | 0.5m – Chip Channel    | 876757   |
| 4.0%   | 42 g/t  | 1.0m x 1.0m - Panel    | 879975   |
| 3.7%   | 14 g/t  | 5.0m – Chip Channel    | 876486   |
| 3.7%   | 1 g/t   | 0.3m – Chip Channel    | 878273   |
| 3.6%   | 36 g/t  | 1.0m x 1.0m - Panel    | 879974   |
| 3.6%   | 37 g/t  | 1.0 x 1.0m - Panel     | 879969   |
| 3.5%   | 8 g/t   | 0.7m – Chip Channel    | 870022   |
| 3.1%   | 7 g/t   | 3.0m – Chip Channel    | 876488   |
| 2.9%   | 7 g/t   | 10.0m - Representative | 876460   |
| 2.6%   | 10 g/t  | 0.5m – Chip Channel    | 876605   |
| 2.6%   | 16 g/t  | 1.0m – Chip Channel    | 876572   |
| 2.6%   | 7 g/t   | 1.0m x 1.0m - Panel    | 876472   |
| 2.5%   | 6 g/t   | 0.7m – Chip Channel    | 870008   |
| 2.5%   | 4 g/t   | 0.2m – Chip Channel    | 876907   |
| 2.4%   | 5 g/t   | 3.0m – Chip Channel    | 876491   |
| 2.4%   | 3 g/t   | 0.5m – Chip Channel    | 870017   |
| 2.1%   | 6 g/t   | 1.8m – Chip Channel    | 876575   |
| 2.1%   | 6 g/t   | 1.8m – Chip Channel    | 876574   |
| 2.1%   | 3 g/t   | 10.0m - Representative | 876478   |
| 2.1%   | 12 g/t  | 1.0m x 1.0m - Panel    | 879967   |
| 2.1%   | 19 g/t  | 1.0m x 1.0m - Panel    | 879970   |
| 2.0%   | 9 g/t   | 1.0m x 1.0m - Panel    | 879968   |
| 2.0%   | 20 g/t  | 10.0m - Representative | 876922   |
| 1.8%   | 18 g/t  | 10.0m - Representative | 876930   |
| 1.8%   | 9 g/t   | 1.0m x 1.0m - Panel    | 879973   |
| 1.6%   | 8 g/t   | 0.6m – Chip Channel    | 879959   |
| 1.6%   | 5 g/t   | 1.0m x 1.0m - Panel    | 876477   |
| 1.6%   | 2 g/t   | 1.0m – Chip Channel    | 876611   |
| 1.6%   | 18 g/t  | 1.0m – Chip Channel    | 879954   |
| 1.6%   | 2 g/t   | 0.3m – Chip Channel    | 876901   |

|      |        |                        |        |
|------|--------|------------------------|--------|
| 1.5% | 1 g/t  | 3.0m – Chip Channel    | 876487 |
| 1.5% | 1 g/t  | 2.0m x 1.0m - Panel    | 876915 |
| 1.5% | 14 g/t | 1.3m – Chip Channel    | 879956 |
| 1.4% | 1 g/t  | 1.0m x 1.0m - Panel    | 876475 |
| 1.4% | 18 g/t | 0.5m – Chip Channel    | 879951 |
| 1.4% | 3 g/t  | 10.0m - Representative | 876481 |
| 1.3% | 50 g/t | 0.5m – Chip Channel    | 876752 |
| 1.3% | 10 g/t | 1.0m x 1.0m - Panel    | 876971 |
| 1.3% | 5 g/t  | 2.0m x 2.0m - Panel    | 876622 |
| 1.3% | 1 g/t  | 5.0m – Chip Channel    | 876482 |
| 1.2% | 6 g/t  | 0.7m – Chip Channel    | 870025 |
| 1.2% | 6 g/t  | 0.2m – Chip Channel    | 876469 |
| 1.1% | 3 g/t  | 10.0m - Representative | 876479 |

Max cautions investors that grab sampling can be selective and are not necessarily representative of the mineralization. On October 21, 2021, Max released assay results from a reconnaissance sampling program at the CONEJO zone midway along the Cesar North 90-kilometre-long belt. The new results extend the high-grade CONEJO zone to 3.2km by 1.9km, with the zone open in all directions.

To date, 44 rock samples returned values over 3.0% copper, 55 returned over 2.0% copper and 21 returned over 30 g/t silver, with intervals ranging from 0.3 to 20.0m. Highlight rock sample values were 12.5% copper and 120 g/t silver. The CONEJO mineralization occurs both as a stockwork of crosscutting fractures and as disseminated mineralization hosted in igneous rock. Observed minerals include: chalcocite, native copper, cuprite and copper oxides. Epidote is commonly associated with the copper mineralization.

**October 21, 2021 Table 1. CONEJO Assay Results in Excess of 1.0% Copper**

| Copper | Silver | Width                  | Sample # |
|--------|--------|------------------------|----------|
| 3.4%   | 54 g/t | 1.5m – Chip Channel    | 878757   |
| 3.3%   | 5 g/t  | 15.0m - Representative | 876847   |
| 2.8%   | 13 g/t | 20.0m - Representative | 876823   |
| 1.1%   | 1 g/t  | 15.0m - Representative | 876843   |

On November 3, 2021, Max released further high-grade assay results at CONEJO, with the zone now extended to over 3.7km with average grade of 4.9% copper using 2-per-cent cut-off. Highlights:

- 9.9% copper and 50 g/t silver over widths of 2.0m chip channel (878823);
- 9.3% copper and 126 g/t silver over widths of 2.0m chip channel (878814);
- 7.5% copper and 93 g/t silver over widths of 2.0m chip channel (878839);
- 7.3% copper and 100 g/t silver over widths of 2.0m chip channel (878816);
- 7.0% copper and 56 g/t silver over widths of 2.0m chip channel (878751).

A compilation of all sampling to date has returned 13 rock samples in excess 8.0% copper; 53 in excess of 5.0% copper, 93 in excess of 2.0% copper, while 36 returned values in excess of 20 grams per tonne silver, all over widths ranging from 0.5 to 20.0m. In addition, composite results include: 7.5% copper and 86 g/t silver over widths of 6.0m (878814 to 878816); 5.2% copper and 46 g/t silver over widths of 10.0m (878820 to 878824) and 3.2% copper and 32 g/t silver over widths of 10.0m (878804 to 878808).

Previously reported highlights include:

- 12.5% copper and 84 g/t silver over 5.0m by 5.0m panel (878335);
- 10.5% copper and 50 g/t silver over 3.0m by 2.0m panel (878603);
- 10.4% copper and 95 g/t silver over 5.0m by 5.0m panel (878338);
- 10.2% copper and 62 g/t silver over 5.0m by 5.0m panel (878334);
- 10.0% copper and 80 g/t silver over 5.0m by 5.0m panel (878363);
- 8.6% copper and 89 g/t silver over 5.0m by 5.0m panel (878336);
- 8.4% copper and 60 g/t silver over 5.0m by 5.0m panel (878337).

The CONEJO mineralization is hosted in a stockwork within igneous host rock and is associated with the presence of epidote. Observed minerals include: chalcocite, native copper, cuprite and copper oxides.

**November 3, 2021 Table 1. Conejo Assay Results in Excess of 2.0% Copper**

| <b>Copper (%)</b> | <b>Silver (g/t)</b> | <b>Width (m)</b> | <b>Sampe Type</b> | <b>Sample No.</b> |
|-------------------|---------------------|------------------|-------------------|-------------------|
| 9.9               | 50                  | 2.0              | Chip channel      | 878823            |
| 9.3               | 126                 | 2.0              | Chip channel      | 878814            |
| 7.5               | 93                  | 2.0              | Chip Channel      | 878839            |
| 7.4               | 75                  | 1.2              | Chip Channel      | 878830            |
| 7.3               | 100                 | 2.0              | Chip channel      | 878816            |
| 7.0               | 56                  | 2.0              | Chip Channel      | 878751            |
| 6.9               | 29                  | 2.0              | Chip channel      | 878821            |
| 6.6               | 66                  | 1.2              | Chip Channel      | 878801            |
| 6.5               | 49                  | 1.2              | Chip channel      | 878810            |
| 5.7               | 32                  | 2.0              | Chip channel      | 878815            |
| 5.6               | 57                  | 2.0              | Chip Channel      | 876804            |
| 5.3               | 66                  | 2.0              | Chip Channel      | 878836            |
| 4.7               | 52                  | 1.2              | Chip Channel      | 876836            |
| 4.3               | 46                  | 1.6              | Chip Channel      | 878831            |
| 4.0               | 43                  | 1.0              | Chip channel      | 878818            |
| 3.5               | 44                  | 0.6              | Chip channel      | 878826            |
| 3.5               | 30                  | 0.5              | Chip Channel      | 876840            |
| 3.4               | 66                  | 2.0              | Chip Channel      | 878820            |
| 3.4               | 54                  | 2.0              | Chip channel      | 878822            |
| 3.4               | 54                  | 1.5              | Chip Channel      | 878757            |
| 3.4               | 28                  | 0.5              | Chip Channel      | 876171            |
| 3.1               | 38                  | 2.0              | Chip Channel      | 876806            |
| 3.1               | 35                  | 1.5              | Chip Channel      | 876809            |
| 2.9               | 27                  | 2.0              | Chip Channel      | 876807            |
| 2.6               | 36                  | 2.0              | Chip Channel      | 876805            |
| 2.6               | 28                  | 1.7              | Chip Channel      | 876834            |
| 2.5               | 23                  | 5.0              | Chip Channel      | 878807            |
| 2.4               | 18                  | 0.5              | Chip Channel      | 876839            |
| 2.3               | 23                  | 3.0              | Chip Channel      | 878804            |
| 2.3               | 10                  | 2.0              | Chip channel      | 878824            |
| 2.1               | 16                  | 2.0              | Chip channel      | 878809            |
| 12.5              | 84                  | 5.0 x 5.0        | Panel             | 878335            |
| 10.7              | 52                  | 1.0 x 1.0        | Panel             | 878389            |
| 10.5              | 50                  | 3.0 x 2.0        | Panel             | 878603            |
| 10.4              | 95                  | 5.0 x 5.0        | Panel             | 878338            |
| 10.2              | 62                  | 5.0 x 5.0        | Panel             | 878334            |
| 10.0              | 80                  | 5.0 x 5.0        | Panel             | 878363            |
| 9.5               | 120                 | 1.0 x 1.0        | Panel             | 878390            |
| 9.0               | 67                  | 1.0 x 1.0        | Panel             | 878391            |
| 8.8               | 66                  | 1.0 x 1.0        | Panel             | 878386            |
| 8.6               | 89                  | 5.0 x 5.0        | Panel             | 878336            |
| 8.4               | 60                  | 5.0 x 5.0        | Panel             | 878337            |
| 7.9               | 21                  | 5.0 x 5.0        | Panel             | 878368            |
| 7.7               | 84                  | 5.0 x 5.0        | Panel             | 878373            |
| 7.4               | 47                  | 5.0 x 5.0        | Panel             | 878333            |
| 7.3               | 80                  | 3.0 x 3.0        | Panel             | 878394            |
| 7.0               | 45                  | 5.0 x 5.0        | Panel             | 878352            |
| 6.0               | 29                  | 5.0 x 5.0        | Panel             | 878356            |
| 5.8               | 16                  | 5.0 x 5.0        | Panel             | 878348            |

|     |     |           |                |        |
|-----|-----|-----------|----------------|--------|
| 5.5 | 84  | 1.0 x 1.0 | Panel          | 878388 |
| 5.5 | 64  | 1.0 x 1.0 | Panel          | 878393 |
| 5.3 | 19  | 5.0 x 5.0 | Panel          | 878349 |
| 5.0 | 54  | 1.0 x 1.0 | Panel          | 878604 |
| 4.9 | 36  | 5.0 x 5.0 | Panel          | 878625 |
| 4.9 | 11  | 5.0 x 5.0 | Panel          | 878347 |
| 4.7 | 32  | 5.0 x 5.0 | Panel          | 878362 |
| 4.6 | 29  | 5.0 x 5.0 | Panel          | 878351 |
| 4.5 | 21  | 5.0 x 5.0 | Panel          | 878620 |
| 4.4 | 26  | 5.0 x 5.0 | Panel          | 878614 |
| 4.2 | 41  | 1.0 x 1.0 | Panel          | 878387 |
| 4.1 | 16  | 5.0 x 5.0 | Panel          | 878381 |
| 3.9 | 31  | 5.0 x 5.0 | Panel          | 878353 |
| 3.8 | 18  | 5.0 x 5.0 | Panel          | 878617 |
| 3.8 | 4.6 | 1.0 x 0.5 | Panel          | 878602 |
| 3.6 | 15  | 5.0 x 5.0 | Panel          | 878619 |
| 3.5 | 19  | 3.0 x 3.0 | Panel          | 878359 |
| 3.5 | 19  | 5.0 x 5.0 | Panel          | 878364 |
| 3.4 | 17  | 3.0 x 3.0 | Panel          | 878358 |
| 3.3 | 5   | 15.0      | Representative | 876847 |
| 3.3 | 8   | 5.0 x 5.0 | Panel          | 878427 |
| 3.3 | 29  | 3.0 x 3.0 | Panel          | 878360 |
| 3.1 | 15  | 5.0 x 5.0 | Panel          | 878621 |
| 3.0 | 23  | 1.0 x 1.0 | Panel          | 878469 |
| 3.0 | 45  | 1.0 x 1.0 | Panel          | 878496 |
| 2.9 | 23  | 1.0 x 1.0 | Panel          | 878605 |
| 2.8 | 13  | 20.0      | Representative | 876823 |
| 2.7 | 8   | 5.0 x 5.0 | Panel          | 878346 |
| 2.7 | 20  | 5.0 x 5.0 | Panel          | 878361 |
| 2.6 | 30  | 5.0 x 5.0 | Panel          | 878606 |
| 2.6 | 29  | 5.0 x 5.0 | Panel          | 878607 |
| 2.5 | 21  | 5.0 x 5.0 | Panel          | 878610 |
| 2.5 | 15  | 5.0 x 5.0 | Panel          | 878354 |
| 2.4 | 3   | 5.0 x 5.0 | Panel          | 878382 |
| 2.4 | 13  | 5.0 x 5.0 | Panel          | 878345 |
| 2.4 | 14  | 5.0 x 5.0 | Panel          | 878000 |
| 2.3 | 13  | 1.0 x 1.0 | Panel          | 878460 |
| 2.3 | 3   | 5.0 x 5.0 | Panel          | 878424 |
| 2.1 | 6   | 1.0 x 1.0 | Panel          | 878601 |
| 2.1 | 6   | 1.0 x 1.0 | Panel          | 878461 |
| 2.0 | 6   | 5.0 x 5.0 | Panel          | 878419 |
| 2.0 | 21  | 5.0 x 5.0 | Panel          | 878379 |
| 2.0 | 13  | 5.0 x 5.0 | Panel          | 878628 |
| 2.0 | 5   | 1.0 x 1.0 | Panel          | 878551 |

On November 17, 2021, Max announced the Company had received its first mining concession contract for the URU zone. The Colombian mining concession contract process includes, amongst other requirements, a detailed social management plan, followed by a public hearing with the local community. The public hearing for the mining concession contract took place on Sept. 2, 2021, followed by the issue of the contract. Mining concession contracts have an initial term of 30 years and include an extension for a further 30 years for a total duration of 60 years.

On November 24, 2021, Max announced the granting of a further three key Mining Concession Contracts at the URU zone. Along with the one granted earlier in November, the four Mining Concession Contracts are contiguous and collectively cover an expanse of 70-km<sup>2</sup>. To date, the URU copper-silver mineralization is identified over 48- km<sup>2</sup>.

URU remains open in all directions and has recorded highlight values of 14.8% copper and 132 g/t silver, from sampling that included thirteen samples in excess of 3.0% copper, sixty-nine samples in excess of 1.0% copper and fourteen samples in excess of 15 g/t silver. Sample widths range from 0.5 to 25.0m. The next steps for URU will include:

- Infill mapping and sampling of the entire 70 square kilometres;
- Ground geophysical surveys to zero in on drill targets;
- Environmental and socio-economic surveys for drill permitting;
- Phase one drilling of the delineated targets.

#### Quality assurance

All CESAR rock chip samples are shipped to ALS Lab's sample preparation facility in Medellin, Columbia. Sample pulps are then sent to Lima, Peru, for analysis. All samples are analyzed using ALS procedure ME-MS41, a four-acid digestion with inductively coupled plasma finished. Over-limit copper and silver are determined by ALS procedure OG-62, a four-acid digestion with an atomic absorption spectroscopy finish. ALS Labs is independent from Max.

Max uses standard chip and channel sampling where possible, but also relies on rock panel and composite grab sampling. Max considers rock panel and composite grab samples to be representative but cautions investors that individual grab samples can be selective and may not be representative of continuous mineralization.

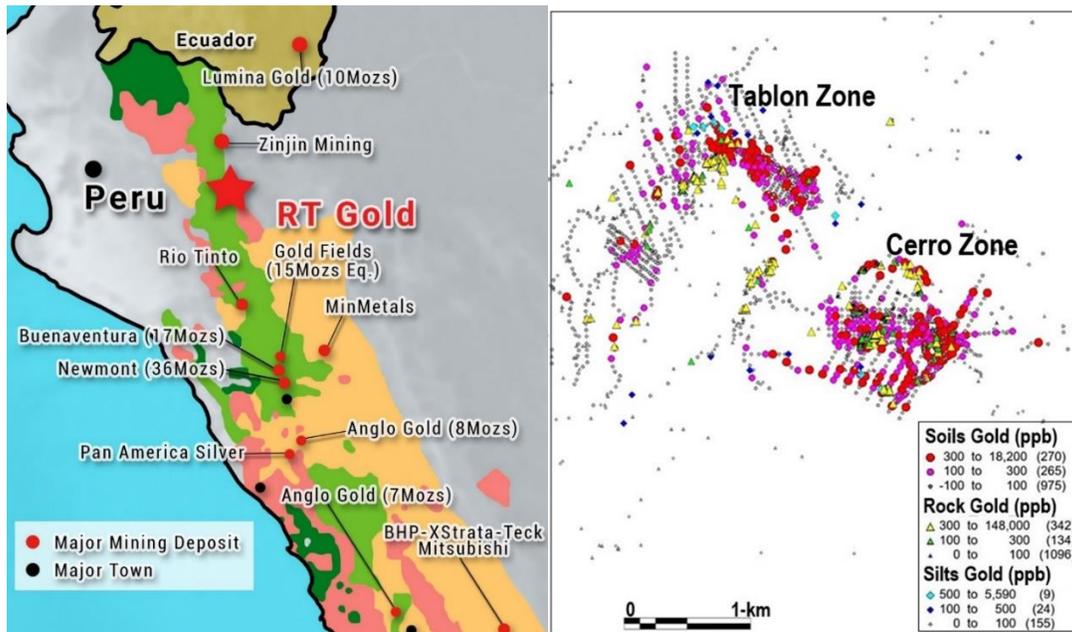
#### **RT GOLD PROJECT, NORTHERN PERU**

On September 16, 2020, Max executed an option agreement to acquire a 100% interest in the RT Gold property, consisting of two contiguous mineral concessions located 760-km northwest of Lima in the district of Tabaconas, Peru. On November 4, 2021, the option agreement was amended to change the dates of the payments required. In accordance with the amended option agreement, to earn a 100% interest in the property, the Company must:

- pay US\$300,000 to the vendors on execution of the agreement (paid);
- pay US\$300,000 on or before October 30, 2021 (paid);
- pay US\$150,000 on or before March 20, 2023;
- pay US\$150,000 on or before March 20, 2024;
- pay US\$300,000 on or before March 20, 2025;
- pay US\$300,000 on or before March 20, 2026;
- pay US\$3,000,000 on or March 20, 2027.

Upon acquiring a 100% interest in the RT Gold property, the vendors will retain a 2.5% net smelter royalty on the commercial production of the RT Gold property.

RT Gold sits along the Condor mountain chain of northern Peru, within the Cajamarca metallogenic belt. This geological belt extends from central Peru into southern Ecuador, and hosts a number of world-class gold deposits.



Two distinct mineralized systems occur within RT Gold: CERRO, a bulk tonnage gold-bearing porphyry zone, and 3-km to the northwest, TABLON, a gold-bearing massive sulphide zone.

The CERRO system hosts several known mineralized zones, including Peak, West, Breccia and Cathedral, consisting of:

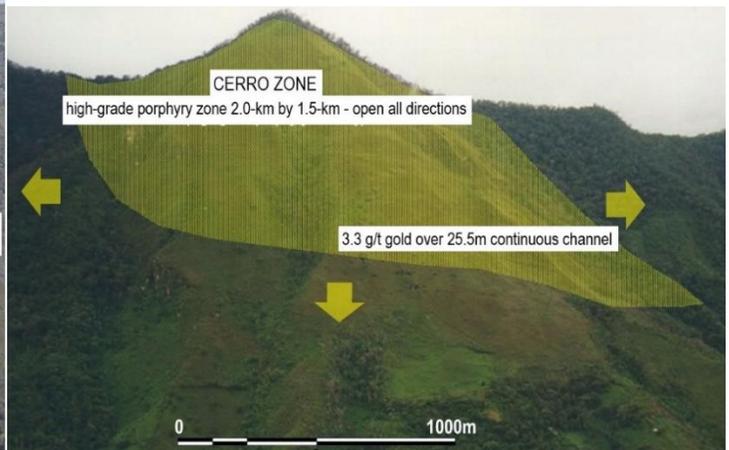
- Soil geochemistry of CERRO has outlined a large-scale 2.0-km by-1.5-km gold anomaly, open in all directions grading from 0.1 to 4 g/t gold.
- Soil geochemistry is coincident with induced polarization chargeability.
- Within the gold soil anomaly, several veins and structures returned assays up to 62.9 g/t and within the wall rock 0.5 to 1.0 g/t gold.
- CERRO has never been drill tested.

TABLON is located 3-km northwest from CERRO and hosts numerous gold-bearing massive to semi-massive sulphide bodies over a 150m by 450m, within a larger 1.0-km by 1.5-km anomalous gold soil and rock geochemistry.

Highlights of the 2001 diamond drill program of 33 holes over 600m by 200m, open in all directions include; 3.1 to 118.1 g/t gold over intervals ranging from 2.2 to 36.0m, RT-29 returned metallic value of 186 g/t gold over 2.2m from 42.0m:

- 3.1 g/t gold over 21.4m from 9.1m (RT-06);
- 5.3 g/t gold over 17.1m from 12.0m (RT-11);
- 8.8 g/t gold over 25.4m from 13.4m (RT-13);
- 5.1 g/t gold over 9.5m from 1.5m (RT-21);
- 4.9 g/t gold over 14.1m from 40.8m (RT-22);
- 13.0 g/t gold over 3.1m from 33.0m (RT-25);
- 7.0 g/t gold over 6m from 0.0m (RT-26);
- 18.0 g/t gold over 16.4m from 34.9m (RT-29).

Assays are pending for 1,600m of historic drill core for TABLON



| DDH Number | From (m) | To (m) | Length | Gold g/t F. Assay |
|------------|----------|--------|--------|-------------------|
| RT-1       | 13.50    | 15.00  | 1.50   | 1.16              |
| and        | 24.00    | 25.50  | 1.50   | 4.59              |
| RT-2       | 39.50    | 39.94  | 0.44   | 44.05             |
| RT-3       | 62.18    | 62.85  | 0.67   | 49.99             |
| and        | 105.76   | 106.10 | 0.34   | 54.89             |
| RT-4       | 7.85     | 11.90  | 4.05   | 2.23              |
| and        | 18.02    | 20.29  | 2.27   | 2.67              |
| and        | 26.29    | 28.42  | 2.13   | 2.61              |
| RT-6       | 9.07     | 30.48  | 21.41  | 3.10              |
| including  | 9.07     | 15.24  | 6.17   | 5.48              |
| RT-7       | 10.08    | 30.00  | 19.92  | 2.41              |
| including  | 10.08    | 12.55  | 2.47   | 4.55              |
| and        | 25.53    | 25.91  | 0.38   | 7.44              |
| RT-11      | 12.01    | 29.10  | 17.09  | 5.32              |
| including  | 15.54    | 18.20  | 2.66   | 14.20             |
| RT-12      | 17.41    | 21.76  | 4.35   | 4.71              |
| RT-13      | 13.41    | 38.83  | 25.42  | 8.78              |
| including  | 19.85    | 22.75  | 2.90   | 19.81             |
| including  | 31.21    | 38.83  | 7.62   | 12.61             |
| including  | 33.72    | 34.72  | 1.00   | 28.24             |
| RT-14      | 17.68    | 19.36  | 1.68   | 5.47              |
| RT-15      | 12.80    | 19.20  | 6.40   | 5.85              |
| RT-16      | 16.17    | 20.07  | 3.90   | 13.18             |
| RT-21      | 1.52     | 10.97  | 9.45   | 5.08              |
| RT-22      | 8.45     | 9.50   | 1.05   | 2.58              |
| and        | 31.39    | 33.80  | 2.40   | 3.21              |
| and        | 40.75    | 54.86  | 14.11  | 4.85              |
| RT-25      | 33.00    | 36.1   | 3.1    | 12.97             |
| including  | 33.00    | 34.00  | 1.00   | 33.30             |
| RT-26      | 0.00     | 6.00   | 6.00   | 6.95              |
| including  | 1.00     | 2.00   | 1.00   | 17.37             |
| and        | 12.02    | 13.00  | 0.98   | 2.80              |
| and        | 17.00    | 18.00  | 1.00   | 2.98              |
| RT-27      | 9.76     | 12.00  | 2.24   | 1.49              |
| and        | 26.00    | 27.00  | 1.00   | 1.43              |
| RT-28      | 1.52     | 10.54  | 9.02   | 1.93              |
| and        | 18.35    | 28.10  | 9.75   | 2.21              |
| including  | 23.34    | 25.71  | 2.37   | 5.99              |
| RT-29      | 1.20     | 8.00   | 6.80   | 2.75              |
| and        | 34.85    | 51.25  | 16.40  | 17.99             |
| including  | 42.00    | 44.15  | 2.15   | 118.10            |

Table 1. Diamond Drill Hole (DDH) intersections and gold fire assay results.

| DDH Number | UTM E<br>DATUM<br>PSAD 56 | UTM N<br>Garmin 12<br>GPS Data | Elevation<br>Garmin 12<br>GPS Data | Azimuth<br>North is<br>360° | Dip<br>Horizontal is 0° | Length<br>Measured<br>From collar |
|------------|---------------------------|--------------------------------|------------------------------------|-----------------------------|-------------------------|-----------------------------------|
| RT-1       | 706462                    | 9418622                        | 1918m                              | 355                         | -45                     | 126.19m                           |
| RT-2       | 706448                    | 9418611                        | 1916m                              | 355                         | -45                     | 57.92m                            |
| RT-3       | 706479                    | 9418667                        | 1955m                              | 340                         | -45                     | 142.65m                           |
| RT-4       | 706436                    | 9418644                        | 1948m                              | 147                         | -75                     | 33.54m                            |
| RT-6       | 706436                    | 9418644                        | 1948m                              | 127                         | -75                     | 42.68m                            |
| RT-7       | 706436                    | 9418644                        | 1948m                              | 115                         | -66                     | 31.71m                            |
| RT-11      | 706434                    | 9418684                        | 1985m                              | 310                         | -45                     | 34.75m                            |
| RT-12      | 706434                    | 9418684                        | 1985m                              | 310                         | -65                     | 35.67m                            |
| RT-13      | 706434                    | 9418684                        | 1985m                              | 280                         | -45                     | 41.76m                            |
| RT-14      | 706434                    | 9418684                        | 1985m                              | 280                         | -65                     | 40.24m                            |
| RT-15      | 706434                    | 9418684                        | 1985m                              | 344                         | -50                     | 30.79m                            |
| RT-16      | 706410                    | 9418661                        | 1976m                              | 310                         | -45                     | 25.91m                            |
| RT-21      | 706384                    | 9418645                        | 1976m                              | -                           | -90                     | 24.4m                             |
| RT-22      | 706353                    | 9418697                        | 2016m                              | 155                         | -45                     | 69.21m                            |
| RT-25      | 706144                    | 9418499                        | 2016m                              | 310                         | -45                     | 39.94m                            |
| RT-26      | 706144                    | 9418499                        | 2016m                              | 330                         | -45                     | 33.53m                            |
| RT-27      | 706144                    | 9418518                        | 2026m                              | 215                         | -45                     | 45.73m                            |
| RT-28      | 706397                    | 9418691                        | 1999m                              | -                           | -90                     | 36.28m                            |
| RT-29      | 706397                    | 9418691                        | 1999m                              | 180                         | -60                     | 80.8m                             |

Table 2. Diamond Drill Hole (DDH) locations.

Source: National Instrument 43-101 geological report, Rio Tabaconas gold project for Golden Alliance Resources Corp. by George Sivertz, Oct. 3, 2011. Intervals are core lengths not true widths, which are unknown at this time.

#### RT Gold Exploration Completed During the Nine Months Ended September 30, 2021

The Company has established an exploration team. Current work includes acquiring, cutting and analysis of approximately 1,600 metres of historical diamond drill core, compiling all available data, delineate drill targets and preparation of surveys required for drill permitting. In addition, the Company has been working with social relations groups and the local communities.

#### RT Gold Exploration Completed Subsequent to September 30, 2021

The Company has been continuing to work with the local communities and analyzing the 1,600 meters of historical diamond drill core.

#### EBAY PROJECT

On March 25, 2020, Max entered into a letter of intent (LOI) to acquire 100% of EBAY Palladium, located 30-km southeast of Matagami in the Abitibi region of Quebec, Canada.

#### EBAY Exploration Completed During the Nine Months Ended September 30, 2021

None. The EBAY Option Agreement was terminated on March 24, 2021.

### 1.3 Selected Quarterly Information

As at September 30, 2021, the Company was listed on the TSX Venture Exchange. The Company has not recorded any revenues in the current fiscal period, and depends upon share issuances to fund its administrative and exploration expenses. See the summary of results, below:

|   | Three months ended<br>September 30, |             | Nine months ended<br>September 30, |             |
|---|-------------------------------------|-------------|------------------------------------|-------------|
|   | 2021<br>\$                          | 2020<br>\$  | 2021<br>\$                         | 2020<br>\$  |
| Revenues                                    | -                                   | -           | -                                  | -           |
| Expenses                                    | (1,122,329)                         | (1,310,030) | (3,250,714)                        | (3,030,142) |
| Net and comprehensive loss for the period   | (1,121,537)                         | (1,310,030) | (3,244,492)                        | (2,957,387) |
| Basic and diluted net loss per common share | (0.01)                              | (0.03)      | (0.04)                             | (0.08)      |
|   |                                     |             |                                    |             |
| Exploration and evaluation assets           | 1,253,521                           | 509,679     | 1,253,521                          | 509,679     |
| Total assets                                | 3,911,364                           | 1,027,390   | 3,911,364                          | 1,027,390   |
| Total long-term liabilities                 | -                                   | -           | -                                  | -           |
| Working capital (deficiency)                | 2,098,593                           | (192,811)   | 2,098,593                          | (192,811)   |
| Dividends per share                         | -                                   | -           | -                                  | -           |

The Company's current projects are at the exploration and development stages and have not generated any revenues.

At September 30, 2021, the Company had not yet achieved profitable operations and had accumulated losses of \$33,693,162 (December 31, 2020 – \$30,448,670) since inception. The net losses for the nine months ended September 30, 2021 and 2020 resulted in a net loss per share of \$0.04 and \$0.08, respectively.

At September 30, 2021, the Company has no continuing source of operating revenues. The Company has not paid any dividends on its common shares nor does it have any present intention of paying dividends on its common shares, as it anticipates that all available funds for the foreseeable planning horizon will be invested to finance its business activities.

## 1.4 Results of Operations

### *Three months ended September 30, 2021*

During the three months ended September 30, 2021 (the “current quarter”), the Company incurred a loss of \$1,121,537 compared to a loss of \$1,310,030 for the three months ended September 30, 2020 (the “comparative quarter”). Variances between the current quarter compared to the comparative quarter are shown in the table below:

| <b>Expenses</b>                         | <b>Increase / Decrease in Expenses</b> | <b>Explanation for Change</b>   |
|---|--|---|
| Exploration and evaluation expenditures | Decrease of \$125,597                  | Decreased due to the comparative quarter including exploration costs for the EBAY project whereas the costs for the EBAY project have been capitalized in 2021. |
| Marketing                               | Increase of \$103,835                  | Increased due to the Company increasing its communications with shareholders.   |
| Property investigation costs            | Increase of \$85,631                   | Increased due to the Company being more active in trying to locate additional mineral claims around its CESAR Project.  |
| Salaries and benefits                   | Increase of \$73,272                   | Increased due to the hiring of several employees in Colombia and Peru during 2021.  |
| Share-based compensation                | Decrease of \$344,755                  | Decreased due to fewer share options being granted in the current quarter.  |

### *Nine months ended September 30, 2021*

During the nine months ended September 30, 2021 (the “current period”), the Company incurred a loss of \$3,244,492 compared to a loss of \$2,957,387 for the nine months ended September 30, 2020 (the “comparative period”). Variances between the current period compared to the comparative period are shown in the table below:

| <b>Expenses</b>                         | <b>Increase / Decrease in Expenses</b> | <b>Explanation for Change</b>  |
|---|--|--|
| Exploration and evaluation expenditures | Decrease of \$187,940                  | Overall spending increased by \$62,810 when the value of the shares issued for the EBAY project of \$250,750 are excluded from the previous year’s expenditures. The increase in spending is due to the Company having the funds to increase its exploration on the CESAR Project. |
| Marketing                               | Increase of \$292,588                  | Increased due to the Company engaging additional consultants for communications with shareholders.   |
| Office and miscellaneous                | Increase of \$187,011                  | Increased due to the increased activity in the Colombian subsidiaries.   |
| Property investigation costs            | Increase of \$219,087                  | Increased due to the Company being more active in trying to locate additional mineral claims around its CESAR Project.   |
| Salaries and benefits                   | Increase of \$221,725                  | Increased due to the hiring of several employees in Colombia and Peru during the current period.   |
| Share-based compensation                | Decrease of \$564,866                  | Decreased due to fewer share options being granted in the current period.  |

## 1.5 Summary of Quarterly Results

|  | Q3-2021<br>\$ | Q2-2021<br>\$ | Q1-2021<br>\$ | Q4-2020<br>\$ | Q3-2020<br>\$ | Q2-2020<br>\$ | Q1-2020<br>\$ | Q4-2019<br>\$ |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>Revenue</b>                         | -             | -             | -             | -             | -             | -             | -             | -             |
| <b>Income<br/>(loss)</b>               | (1,122,329)   | (893,456)     | (1,232,951)   | (2,249,578)   | (1,310,030)   | (612,963)     | (1,034,394)   | (880,106)     |
| <b>Income<br/>(loss) per<br/>Share</b> | (0.01)        | (0.01)        | (0.01)        | (0.03)        | (0.03)        | (0.02)        | (0.04)        | (0.07)        |

The loss for the fourth quarter of fiscal 2019 decreased 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 loss for the first quarter of fiscal 2020 included a \$220,111 expense related to the grant of share options. During the quarter, the Company continued exploration at its CESAR project in Colombia whereby it incurred \$199,609 in exploration and evaluation costs.

The loss for the second quarter of fiscal 2020 decreased as a result of overall decreased expenditures associated with the COVID-19 pandemic. The Company continued exploration at the CESAR project in Colombia and performed some initial exploration programs at the EBAY project in Quebec.

The loss for the third quarter of fiscal 2020 increased as a result in a partial resumption of operations during the COVID-19 pandemic. Exploration continued at the CESAR project in Colombia and further exploration was performed at the EBAY project in Quebec. Q3 2020 also included a \$374,725 expense related to the granting and vesting of incentive share options.

The loss for the fourth quarter of 2020 included a \$668,254 write-off for the EBAY Project and a \$469,318 expense related to the granting and vesting of incentive share options.

The loss for the first quarter of fiscal 2021 included \$373,122 in exploration and evaluation costs related to the continued exploration at the Company's CESAR project in Colombia.

The loss for the third quarter of fiscal 2021 included \$318,975 in exploration and evaluation costs related to the continued exploration at the Company's CESAR project in Colombia.

## 1.6 Liquidity and Solvency

At September 30, 2021, the Company had a working capital of \$2,098,593 including cash on hand of \$2,110,834. This compares to working capital of \$4,368,679 at December 31, 2020, inclusive of cash of \$4,697,156.

The decrease in cash totalling \$2,586,322 during the nine months ended September 30, 2021 was a result of operating activities consuming \$3,517,132 in cash, exploration and evaluation assets consuming \$510,990 in cash, and equipment consuming \$56,984 in cash, offset by cash inflows from the exercise of warrants and share options totalling \$1,498,784.

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.

## 1.7 Capital Resources

As at September 30, 2021, the Company had a cash and cash equivalents balance of \$2,110,834 (December 31, 2020 - \$4,697,156) to settle current liabilities of \$391,694 (December 31, 2020 - \$734,841). The Company expects to fund its liabilities and its acquisition, exploration and operational activities over the next fiscal year with cash on hand and from cash received from the issuance of equity securities, primarily through private placements and the exercise of share options and warrants.

## 1.8 Off Balance Sheet Arrangements

The Company has no off-balance sheet arrangements as of September 30, 2021 or the date of this MD&A.

## 1.9 Transactions with Related Parties

### *Related party balances*

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

|   | September 30,<br>2021 | December 31,<br>2020 |
|---|-----------------------|----------------------|
|   | \$                    | \$                   |
| Directors and management of the Company | 25,200                | 13,123               |

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:   | 2021           | 2020           |
|---|----------------|----------------|
|   | \$             | \$             |
| Management fees paid to a company controlled by the CEO and a Director (Brett Matich)   | 232,000        | 222,179        |
| Management fees paid to a company controlled by the CFO (Alex Helmel)                   | 72,000         | 72,000         |
| Consulting fees paid to a company controlled by the corporate secretary (Kelly Pladson) | 27,000         | 22,500         |
|   | <b>331,000</b> | <b>316,679</b> |

## 1.10 Fourth Quarter Highlights

N/A

## 1.11 Proposed Transactions

There are no proposed transactions that will materially affect the performance of the Company other than those which have been disclosed in this MD&A.

## 1.12 Critical Accounting Estimates

The preparation of financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported revenues and expenses during the period.

Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates.

The most significant accounts that require estimates as the basis for determining the stated amounts include the uncertainty of COVID-19 pandemic, recoverability of exploration and evaluation assets, determination of functional currency, valuation of share-based compensation and other equity based payments, and the recoverability and measurement of deferred tax assets and liabilities.

Critical judgment exercised in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is as follows:

#### Uncertainty of COVID-19 pandemic

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, customers, economies, and financial markets globally, potentially leading to an economic downturn. It has also disrupted the normal operations of many businesses, including Max Resource. This outbreak could decrease spending, adversely affect the raising of capital and harm Max Resource's business and results of operations. It is not possible for management to predict the duration or magnitude of the adverse results of the outbreak and its effects on the business or results of operations at this time.

#### Economic recoverability and probability of future economic benefits of mineral exploration and evaluation assets

Management has determined that exploration, evaluation, and related costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including, geologic and other technical information, a history of conversion of mineral resources with similar characteristics to its own properties to proven and probable mineral reserves, the quality and capacity of existing infrastructure facilities, evaluation of permitting and environmental issues and local support for the project.

#### Functional currency

The functional currency of the Company and its wholly owned subsidiaries is the Canadian dollar ("CAD"); however, determination of functional currency may involve certain judgments to determine the primary economic environment which is re-evaluated for each new entity or if conditions change.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in material adjustments are as follows:

#### Valuation of share-based compensation

The Company uses the Black-Scholes Option Pricing Model for valuation of share-based compensation and other equity based payments. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate, and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves.

#### Income taxes

In assessing the probability of realizing income tax assets, management makes estimates related to expectation of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

### **1.13 Changes in Accounting Policies including Initial Adoption**

The Company did not adopt any new accounting policies during the nine months ended September 30, 2021.

## 1.14 Classification of financial instruments

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

|                   | September 30,<br>2021 | December 31,<br>2020 |
|-------------------|-----------------------|----------------------|
|                   | \$                    | \$                   |
| Cash              | 2,110,834             | 4,697,156            |
| Taxes recoverable | 92,540                | 170,952              |
|                   | <b>2,203,374</b>      | <b>4,868,108</b>     |

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

|                                       | September 30,<br>2021 | December 31,<br>2020 |
|---------------------------------------|-----------------------|----------------------|
|                                       | \$                    | \$                   |
| Non-derivative financial liabilities: |                       |                      |
| Accounts payables                     | 391,694               | 734,841              |
|                                       | <b>391,694</b>        | <b>734,841</b>       |

### **Fair value**

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 Company's financial instruments consist of cash and cash equivalents, taxes recoverable, and accounts payables. The fair value of taxes recoverable and accounts payables approximates their carrying values. Cash and cash equivalents is measured at fair value using level 1 inputs.

### **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. 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 Company's cash is deposited with a major bank in Canada and Peru. This risk is managed by using a major bank that is a high credit quality financial institution as determined by rating agencies.

#### **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.

Historically, the Company's primary source of funding has been the issuance of equity securities for cash, primarily through private placements and the advance of loans. The Company's access to equity financing is dependent upon market conditions and market risks. There can be no assurance of continued access to equity funding.

As at September 30, 2021, the Company had a cash balance of \$2,110,834 to settle current liabilities of \$391,694.

**Currency risk**

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 dollars, Colombian Pesos, and the Peruvian Sol while its functional currency is the Canadian dollar. The Company does not hedge its exposure to fluctuations in foreign exchange rates. The majority of cash is held in Canadian dollars.

The following is a summary of Canadian dollar equivalent financial assets and liabilities that are denominated in United States dollars, Colombian Pesos, or Peruvian Sol:

|                          | September 30,<br>2021<br>\$ | December 31,<br>2020<br>\$ |
|--------------------------|-----------------------------|----------------------------|
| Cash                     | 126,351                     | 144,481                    |
| Taxes recoverable        | 16,101                      | -                          |
| Trade payables           | (65,683)                    | (3,415)                    |
| Net assets (liabilities) | <b>76,769</b>               | <b>141,066</b>             |

Based on the above net exposures, a 10% change in the Canadian dollar exchange rate compared to with the United States dollars, Colombian Pesos, or Peruvian Sol would change net loss and comprehensive loss by approximately \$7,700.

**Interest rate risk**

Interest rate risk is the risk due to variability of interest rates. The Company is exposed to interest rate risk on its bank account. The income earned on the bank account is subject to the movements in interest rates. The Company has cash balances and fixed interest-bearing debt, therefore, interest rate risk is nominal.

**Capital management**

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

**Other risks and uncertainties**

The business and operations of the Company are subject to numerous risks, many of which are beyond the Company's control. The Company considers the risks set out below to be some of the most significant to potential investors in the Company, but not all of the risks are associated with an investment in securities of the Company. If any of these risks materialize into actual events or circumstances or other possible additional risks and uncertainties of which the Company is currently unaware or which it considers to be material in relation to the Company's business actually occur, the Company's assets, liabilities, financial condition, results of operations (including future results of operations), business and business prospects, are likely to be materially and adversely affected. In such circumstances, the price of the Company's securities could decline and investors may lose all or part of their investment.

The Company is engaged in the acquisition, exploration and development of mineral properties. Given the nature of the resource business, the limited extent of the Company's assets, and the present stage of exploration, the following risks factors, among others, should be considered.

**Global Pandemic**

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, customers, economies, and financial markets globally, potentially leading to an economic downturn. It has also disrupted the normal operations of many businesses, including ours, primarily affecting supply chains causing minor procurement delays. This outbreak could decrease spending, adversely affect demand for our product and harm our business and results of operations. It is not possible for us to predict the duration or magnitude of the adverse results of the outbreak and its effects on our business or results of operations at this time.

### ***Exploration, Development and Operating Risks***

The Company is in the process of exploration and development of its properties and has not yet generated any revenues from production. The recovery of expenditures on mineral properties and the related exploration and evaluation expenditures are dependent on the existence of economically recoverable mineralization, the ability of the Company to obtain financing necessary to complete the exploration and development of its Projects, and upon future profitable production, or alternatively, on the sufficiency of proceeds from disposition. Resource exploration is highly speculative in nature, involves many risks and frequently is non-productive. There is no assurance that the Company's efforts will be successful and will result in commercial production or profitability.

### ***Fluctuating Resource Prices***

The economics of resource exploration and development are affected by many factors beyond the Company's control, including commodity prices, the cost of operations, variations in the quantity and quality of resources and fluctuations in the market price of those resources. Depending on the price of resources, the Company may determine that it is impractical to continue a resource exploration operation or to develop one. Resource prices are prone to fluctuations and the marketability of resources are affected by government regulation relating to price, royalties, allowable production and the importing and exporting of resources, the effect of which cannot be accurately predicted.

### ***Financing Risks and Dilution to Shareholders***

The Company has limited financial resources and no revenues. The Company will require additional funds to continue with its current business. Additionally, if the Company's programs on its Projects are successful, additional funds will be required for the purposes of further exploration and development. There can be no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be available on favourable terms or at all. It is likely such additional capital will be raised through the issuance of additional equity, which will result in dilution to the Company's shareholders.

### ***Title to Properties***

Acquisition of title to mineral properties in Colombia and Peru can be a very detailed and time-consuming process. Title to, and the area of, properties could be disputed. The Company cannot give a certain assurance that title to its properties will not be challenged or impugned. A successful claim that the Company does not have title to its properties could cause the Company to lose any rights to explore, develop and mine any resources or minerals on its properties without compensation for its prior expenditures relating to its properties.

### ***Regulatory, Permit and License Requirements***

The current or future operations of the Company require permits from various governmental authorities, and such operations are and will be governed by laws and regulations concerning exploration, development, production, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, site safety and other matters. Companies engaged in the exploration and development of mineral properties generally experience increased costs and delays in development and other schedules as a result of the need to comply with applicable laws, regulations and permits. There can be no assurance that all permits which the Company may require for facilities and the conduct of exploration and development operations on the properties will be obtainable on reasonable terms, or that such laws and regulations will not have an adverse effect on any exploration or development project which the Company might undertake.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in exploration and development operations may be required to compensate those suffering loss or damage by reason of the exploration and development activities and may have civil or criminal fines or penalties imposed upon them for violation of applicable laws or regulations. Amendments to current laws, regulations and permits governing operations and activities of resource companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or exploration and development costs, or require abandonment or delays in the development of new or existing properties.

**Competition**

The resource exploration and development industry is highly competitive. The Company will have to compete with other companies, many of which have greater financial, technical and other resources than the Company, for, among other things, the acquisition of minerals claims and other mineral interests as well as for the recruitment and retention of qualified employees and other personnel. Failure to compete successfully against other mining companies could have a material adverse effect on the Company and its prospects.

**Reliance on Management and Dependence on Key Personnel**

The success of the Company will be largely dependent upon the performance of its directors and officers and the ability to attract and retain key personnel. The loss of the services of these persons may have a material adverse effect on the Company's business and prospects. The Company will compete with numerous other companies for the recruitment and retention of qualified employees and contractors. There is no assurance that the Company can maintain the service of its directors and officers or other qualified personnel required to operate its business. Failure to do so could have a material adverse effect on the Company and its prospects.

**Local Resident Concerns**

Apart from ordinary environmental issues, the exploration and development the Company's Projects could be subject to resistance from local residents that could either prevent or delay exploration and development of its properties.

**Environmental Risks**

The Company's exploration and development programs will, in general, be subject to approval by regulatory bodies. Additionally, all phases of the resource business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of international conventions and state and municipal laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with mining operations. The legislation also requires that mines and facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs.

**Currency Risks**

The Company's financial results are reported in Canadian dollars. The Company's exploration properties are located in Colombia and Peru and the Company incurs most of its expenditures in United States dollars. Any appreciation in the currency of the United States, Colombia, or Peru against the Canadian dollar will increase the Company's costs of carrying out operations and its ability to continue to finance its operations. Such fluctuations could have a material adverse effect on the Company's financial results.

**Conflicts of Interest**

Certain of the directors and officers of the Company will be engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies (including mineral resource companies) and, as a result of these and other activities, such directors and officers may become subject to conflicts of interest. The BCBCA provides that in the event that a director has a material interest in a contract or proposed contract or agreement that is material to an issuer, the director shall disclose his interest in such contract or agreement and shall refrain from voting on any matter in respect of such contract or agreement, subject to and in accordance with the BCBCA. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the BCBCA and applicable internal corporate governance or board policies where and when applicable.

**Political Risks**

The Company's operations may be adversely affected by changes in governmental policies or other economic developments which are not within the control of the Company including a change in taxation policies, economic sanctions, and currency control. The Company is subject to various laws governing exploration, development, production, export of products, taxes, labour standards and occupational health, toxic substances, land use, water use, land claims of local people and other matters. No assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner, which could increase the cost of operations.

### **Uninsurable Risks**

Exploration, development and production operations on resource properties involve numerous risks, including unexpected or unusual geological and/or operating conditions, fires, floods, earthquakes and other environmental occurrences, any of which could result in damage to, or destruction of, producing facilities, damage to life or property, environmental damage and possible legal liability. Although precautions to minimize risk will be taken, operations are subject to hazards that may result in environmental pollution and consequent liability that could have a material adverse impact on the business, operations and financial performance of the Company. It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks as a result of high premiums or other reasons. Should such liabilities arise, they could have an adverse impact on the Company's results of operations and financial condition and could cause a decline in the value of the Company's shares.

### **Litigation**

The Company and/or its directors may be subject to a variety of civil or other legal proceedings, with or without merit.

### **Contingencies**

During the year ended December 31, 2019, certain Colombian employees of Noble Metals Ltd. were registered under the Company's name with the Colombian tax authorities, without the consent of the Company. The Company has hired a Colombian law firm to unwind this unauthorized registration; however, the Company may face potential claims from these employees with respect to taxes, salaries and social security. The Company intends to vigorously defend against any potential claims, which cannot be reasonably estimated at this time.

## **1.15 Other MD&A Requirements**

### **Equity Securities Issued and Outstanding**

#### **Common Shares**

The Company has one class of common shares. Below is a summary of the common shares, stock options, and warrants issued and outstanding as at September 30, 2021 and the date of this report.

|               | <b>September 30,<br/>2021</b> | <b>Date of this<br/>report</b> |
|---------------|-------------------------------|--------------------------------|
| Common shares | 98,084,401                    | 98,384,401                     |
| Share options | 5,158,334                     | 5,158,334                      |
| Warrants      | 19,683,242                    | 4,599,091                      |

#### **Share Options**

The following tranches of Share options are outstanding as of the date of this report:

| <b>Number of options<br/>outstanding</b> | <b>Number of options<br/>exercisable</b> | <b>Exercise price</b> | <b>Expiry date</b> |
|--|--|-----------------------|--------------------|
|  |  | \$                    |                    |
| 75,000                                   | 75,000                                   | 3.60                  | March 20, 2024     |
| 1,550,000                                | 1,550,000                                | 0.15                  | January 3, 2025    |
| 2,450,000                                | 2,450,000                                | 0.21                  | August 24, 2025    |
| 1,000,000                                | 1,000,000                                | 0.40                  | November 9, 2025   |
| 83,334                                   | 83,334                                   | 0.24                  | August 24, 2022    |
| <b>5,158,334</b>                         | <b>5,158,334</b>                         |                       |                    |

### **Warrants**

The following tranches of warrants are outstanding as of the date of this report:

| <b>Number of warrants<br/>outstanding</b> | <b>Exercise price</b> | <b>Expiry date</b> |
|---|-----------------------|--------------------|
|   | \$                    |                    |
| 895,833                                   | 0.45                  | January 17, 2023   |
| 641,667                                   | 0.72                  | February 6, 2023   |
| 2,524,091                                 | 0.10                  | December 30, 2021  |
| 537,500                                   | 0.10                  | May 1, 2022        |
| <b>4,599,091</b>                          |                       |                    |

### **Subsequent Events**

- a) Subsequent to September 30, 2021, the Company issued 300,000 common shares for gross proceeds of \$30,000 in connection with the exercise of 300,000 warrants with an exercise of \$0.10 per common share.

### **Other Information**

Additional information relating to the Company can be found on or in:

- the Company's website at [www.maxresource.com](http://www.maxresource.com) ;
- SEDAR at [www.sedar.com](http://www.sedar.com);
- the Company's audited consolidated financial statements for the years ended December 31, 2020 and 2019; and
- the Company's unaudited consolidated financial statements for the three and six months ended September 30, 2021 and 2020.

This MD&A was approved by the Board of Directors of Max Resource Corp effective November 26, 2021.