



MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL POSITION AND RESULTS OF OPERATIONS
For the three months ended March 31, 2020

1.1 Date of report: June 1, 2020

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 months ended March 31, 2020 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 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. 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 December 30, 2019, the Company issued 11,987,727 units for gross proceeds totalling \$659,325 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 \$0.10 for a two-year period. The Company paid aggregate finder's fees of \$14,280 and issued 261,091 finder warrants with the same terms as the above warrants and with a fair value of \$19,000.

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.

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.

The Company relinquished its remaining mineral applications at Gachala.

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.

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.

During the year ended December 31, 2019, the Company relinquished a number of its mineral applications at Choco. The Company now holds 6 license applications.

Choco Exploration completed during the Quarter Ended March 31, 2020

None.

Choco Exploration completed Subsequent to the Quarter Ended March 31, 2020

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 Medellin 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.*

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.

Subsequent to the year ended December 31, 2019, the Company relinquished a number of its mineral applications at North Choco. The Company now holds 41 license applications.

North Choco Exploration completed during the Quarter Ended March 31, 2020

None.

North Choco Exploration completed Subsequent to the Quarter Ended March 31, 2020

None.

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.

Early success includes:

- The AM North discovery consisting of a 1.8 km horizon open along strike, down and up dip; values of 24.8 per cent copper plus 230 grams per tonne silver over a four-metre-by-one-metre rock chip horizon and 1.8 km along strike to the east, returned 10.4 per cent copper plus 88 g/t silver over one m interval;
- The AM South discovery, located 40 km south-southwest along the same mineralized trend, consists of open-ended mineralized horizons totalling over five km of strike, returned rock-chip highlight values of 5.4 per cent copper and 63 g/t silver from 0.1 to 25-metre intervals.

Max's exploration strategy is to unlock the potential of the Cesar district as a significant copper and silver region.

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.

Cesar Exploration completed during the Quarter Ended March 31, 2020

During the quarter, the Company acquired 5 additional mineral license applications at Cesar, bring the number of mineral licence applications to 6 totalling 10,573 hectares.

On January 21, 2020 Max announced an entirely new discovery, called the AM Horizon, a northeast-southwest stratabound copper-silver horizon in excess of 1.4 kilometres, which appears to continue under cover in both directions. The mineralized system dips approximately 40 degrees to the northwest. Highlight rock chip assay results of the AM horizon include:

- 2.7 per cent copper and 17.9 grams per tonne silver over 0.5 metre;
- 2.1 per cent copper and 8.8 g/t silver over three m by three m panel;
- 1.6 per cent copper and 8.2 g/t silver over three m by three m panel;
- 1.1 per cent copper and 14.2 g/t silver over three m by three m panel;
- 1.0 per cent copper and 8.1 g/t silver over 1.2 m.
- Additional assay results from the Cesar project area are expected shortly.

The rock chip samples consisted of three three m by three m panels with grades ranging from 1.11 per cent to 2.11 per cent copper; 22 rock chip with widths from 0.5 m to 50 m and grades ranging from 0.01 to 2.69 per cent copper; and silver values ranging from 0.25 to 17.9 grams per tonne.

The stratabound copper-silver horizon is observed to be hosted in well-bedded siltstone and sandstone and appears to be associated with reduced facies within the sediments. Rock samples collected from the horizon showed the presence of malachite and iron oxidation. Petrographic analysis is under way to assist in the identification of the copper minerals, as well as the parameters of the mineralization.

On January 29, 2020 Max provided the results of a petrographic study of the 1.4-kilometre-long AM Horizon, and four other locations at Cesar. The petrographic analysis of sample rocks was conducted by John G. Payne, PhD, PGeo, of Vancouver Petrographics Ltd. Copper minerals observed in petrographic samples are chalcocite, covellite, native copper, azurite, malachite, chrysocolla and silver. The copper-silver mineralization identified on the Cesar property is a stratabound type and is hosted in siltstone and sandstone associated with reduced facies within the sediments of the Rancheria basin. The company cautions investors that grab samples are selected samples and are not necessarily representative of mineralization hosted on the property. Assay results of petrographic grab samples:

- 4.51 per cent copper and 39.5 grams per tonne silver for AM Horizon;
- 3.11 per cent copper and 27.5 g/t silver for target B;
- 2.71 per cent copper and 6.3 g/t silver for target C;
- 3.0 per cent copper and 35.6 g/t silver for target E;
- Assay results are pending for target D.

The analysis of the petrographic grab samples was completed at the ALS Minerals Laboratory in North Vancouver, B.C. ALS has an ISO/IEC 17025:2005 accreditation.

On February 4, 2020 Max announced 4.3 per cent copper and 26 grams per tonne silver over a three-metre-by-three-metre panel from Outcrop-1, located approximately two kilometres south from the AM Horizon discovery at Cesar. Highlight rock chip and panel values from Outcrop-1:

- 4.3 per cent copper and 26 grams per tonne silver over three m by three m panel;
- 2.1 per cent copper and nine g/t silver over six m;
- 1.8 per cent copper and 12 g/t silver over three m by three m panel;
- 1.5 per cent copper and nine g/t silver over three m by three m panel.

The company considers rock chip panel sampling to be representative across its reported widths. Additionally, assay results are pending for outcrops 2 through to 12. Further exploration is required to see whether there is a link between the 12 outcrops and the newly discovered AM Horizon (1.4 km long open at both ends). The phase II program is under way with the goal of significantly expanding the exploration drilling targets.

On February 11, 2020 Max announced the Company had discovered a second high-grade copper-silver zone, the Outcrop zone, which is two kilometres in length and located approximately two km south from the 1.4 km AM Horizon discovery at Cesar. Highlight rock chip values for outcrop-9 to 11 and outcrop-1 include:

- 4.4 per cent copper and 33 grams per tonne over 0.6 m; 2.4 per cent copper and 11 g/t silver over three m by three m panel;
- 1.8 per cent copper and five g/t silver over three m by two m panel; 1.4 per cent copper and four g/t silver over three m by two m panel;
- 4.3 per cent copper and 26 g/t silver over three m by three m panel; 2.1 per cent copper and nine g/t silver over six m;
- 1.8 per cent copper and 12 g/t silver over three m by three m panel; 1.8 per cent copper and 12 g/t silver over three m by three m panel.

The company considers rock chip panel sampling to be representative across their reported widths. Collectively, the strike of the Outcrop zone and the AM horizon is 3.4 km open in all directions. Outcrop-2 to 8 and outcrop-12 appear to be lateral extensions to 15 square km, open in all directions; assays are expected very soon. The field team is systematically rock chip sampling to expand both the lateral zones and strike length.

On February 13, 2020 Max announced the high-grade copper-silver Outcrop zone was extended to over 3.5 kilometres in length at Cesar.

On February 20, 2020 Max announced an open-ended, 15-metre composite grab interval grading 2.2 per cent copper and 12 grams per tonne silver from outcrop No. 7 at Cesar. The company cautions investors that grab samples are selected samples and are not necessarily representative of mineralization hosted on the property.

The 15-metre interval, oblique to stratigraphy, continues under soil cover. In addition, outcrop No. 2 chip sampling returned 4.2 per cent copper and 15 grams per tonne silver (open ended) over 0.8 metre. The AM horizon and the outcrop zone are coupled as the AM zone, extending to five kilometres on strike and open in all directions, with indications of significant lateral continuity. The company is awaiting assay results from a newly discovered zone, on trend, 35 kilometres north of the AM zone. Highlight rock chip intervals and values from the AM zone include:

- 5.4 per cent copper and 15 grams per tonne silver over 1.5 m; 3.4 per cent copper and 63 grams per tonne silver over one m;
- 4.4 per cent copper and 33 grams per tonne silver over 0.6 m; 2.7 per cent copper and 33 grams per tonne silver over 0.5 m;
- 4.3 per cent copper and 26 grams per tonne silver over three m by three m; 2.4 per cent copper and 11 grams per tonne silver over three metres by three metres;
- 4.2 per cent per cent copper and 26 grams per tonne silver over 0.8 m; 2.1 per cent copper and nine grams per tonne silver over six m.

Table 1. AM Horizon rock chip values grading 1% copper and greater. The Company considers rock chip sampling to be representative across their reported widths.

Copper Grade	Silver Grade	Thickness Interval	Number
5.40%	14 g/t	1.5m	OC-13
4.40%	33 g/t	0.6m	OC-9
4.30%	26 g/t	3.0m x 3.0m panel	OC-1
2.70%	18 g/t	0.5m	OC-9
2.70%	23 g/t	0.5m	AM
2.60%	49 g/t	0.8m	OC-4
2.40%	11 g/t	3.0m x 3.0m panel	OC-9

2.10%	9 g/t	6.0m	OC-1
2.10%	46 g/t	0.5m	OC-3
2.10%	39 g/t	0.85m	OC-8
2.00%	25 g/t	2.0m	OC-6
1.90%	20 g.t	3.0m x 2.0m panel	OC-6
1.80%	27 g/t	3.0m x 2.0m panel	OC-3
1.80%	13 g/t	3.0m x 3.0m panel	OC-1
1.70%	20 g/t	3.0m x 2.0m panel	OC-5
1.70%	22 g/t	1.0m	OC-6
1.70%	25 g/t	0.85m	OC-8
1.60%	10 g/t	1.0m	OC-6
1.50%	9 g/t	3.0m x 3.0m panel	OC-1
1.50%	10 g/t	1.5m	OC-6
1.40%	10 g/t	0.7m	OC-11
1.40%	4 g/t	3.0m x 2.0m panel	OC-10
1.20%	4 g/t	3.0m x 3.0m panel	OC-11
1.20%	2 g/t	3.0m x 3.0m panel	OC-10
1.20%	6 g/t	1.0m	OC-7
1.20%	3 g/t	1.0m	OC-10
1.20%	8 g/t	0.5m	OC-1
1.00%	15 g/t	3.0m x 3.0m panel	OC-8
1.00%	25 g/t	3.0m x 3.0m panel	OC-12
1.00%	11 g/t	0.8m	OC-5

On February 27, 2020 Max announced two significant stratabound discoveries at AM North. Initial results from AMN-1 returned 10.4 per cent copper plus 88 grams per tonne silver from a one-metre continuous rock chip sample at Cesar. Assays are pending for AMN-2, a second discovery located 1.8 kilometres westerly of AMN-1. Both zones dip 20 degrees northwest. The Max exploration team feel the Cesar style of mineralization appears to be similar to a large sub-horizontal sheet, with the edges partly exposed. Because of the extensive surface exposure, Max is using rock chip sampling to identify structures, continuity of thickness and length of strike to determine potential size, prior to drilling. AM North, which is located 35 to 40 km north of AM South, share the same mineralized trend.

On March 4, 2020 Max announced the discovery of a high-grade outcrop within AM North's flat-lying, stratabound, copper-silver-mineralized system at Cesar. Assays from AMN-2 returned 24.8 per cent copper and 230 grams per tonne silver from a four-metre-by-one-metre rock chip panel. AMN-2 lies 1.8 kilometres along strike from the AMN-1 discovery; both zones are open ended and dip 20 degrees northwest. AM North, located 35 to 40 kilometres north of AM South, appears to share the same mineralized trend.

Cesar Exploration completed subsequent to the Quarter Ended March 31, 2020

On April 2, 2020 Max announced the Company extended the AM-1 copper and silver stratabound horizon to 2,400 metres of strike. In addition, a new discovery named AM-2 extends for 1,000 metres. Both are within the AM South portion of the Cesar project located within the Rancheria basin of northeastern Colombia. Highlights include:

- Rock chip assays of 3.5 per cent copper plus 26 grams per tonne over 10 m by two m panel (sample 303) -- mineralization consisted of malachite, azurite and chalcocite hosted in siltstone.
- The new western 1,000 m extension of AM-1 is being confirmed by infill sampling -- the zone remains open on strike and dip.
- Newly discovered AM-2 copper zone extends for 1,000 m, open on strike and dip -- assays are pending.
- AM-2 lies parallel and 500 m south of AM-1 strongly suggesting stacked horizons.
- In addition, exploration results are pending for AM North, located 40 kilometres north-northeast along trend from AM South.

On April 21, 2020 Max announced The University of Science and Technology (AGH-UST), faculty of geology, geophysics and environmental protection, department of economic geology (AGH), Krakow, Poland, is getting involved in a study of the sediment-hosted copper-silver mineralization at Cesar. Max dispatched surface rock samples extracted from the Cesar stratabound copper-silver mineralized horizons to AGH. From these samples, AGH will conduct various mineralogical and geochemical studies.

AGH professors and teaching staff have a long history of co-operation with KGHM Polska Miedz, the largest copper producer in Europe and the world's largest silver producer. AGH will leverage its extensive knowledge of KGHM's world-renowned Kupferschiefer sediment-hosted copper-silver deposits in Poland, on the academic study of Cesar.

Max and AGH agreed that results from the study on Cesar may be used for public presentations and scientific papers. In addition, discussions have commenced with respect to an AGH MSc student focusing their thesis on selected material sent from the Cesar project.

AGH-UST in Krakow, Poland, has a distinguished history and a deep understanding of sediment-hosted copper-silver deposits, due to its extensive work with Kupferschiefer, established in Poland as a world-class producer of copper and silver since 1968, also producing, gold, palladium, platinum and rhenium as byproducts.

On May 13, 2020 Max entered into a collaboration agreement with one of the world's leading copper producers (major) and brought in Fathom Geophysics to carry out a CESAR technical study. The technical study is focusing on mapping stratigraphic features that may help to pinpoint stratabound copper-silver mineral horizons and will utilize remotely sensed data, including ASTER and Sentinel-2 infrared bands for spectral correlation mapping to compare the CESAR data set against known standards to identify occurrences of target mineral species associated with stratabound copper-silver deposits. The distribution of these occurrences will be assessed so that general stratigraphic features, such as the surface trace of various distinct rock units, can be extracted across the study area. During this mineralogical mapping stage, Fathom will be looking for any discrete, localized features and will investigate any such features as possible alteration zones.

On May 21, 2020 Max announced QEMSCAN and assay results of two bulk samples extracted from CESAR's AM North Zone. Samples #756 (46 kg) and #766 (39 kg) were extracted approximately 1.8-km apart along the AMN-1 mineralized horizon and submitted to ALS Global Metallurgy Laboratory where each sample was crushed to pass 6 mesh. Single sub-sample was removed and submitted for head assays of Cu, Ag, Fe, S.

21-May-2020 Table 1. Head assay results

Assay Methods	#756	#756	#766	#766	Laboratory
	Bulk sample 30 kg	Bulk sample 30 kg	Bulk sample 40 kg	Bulk sample 40 kg	
QEMSCAN	10.5% copper		3.2% copper		ALS Global Metallurgical Lab. in Kamloops
Chemical	9.4% copper	79 g/t silver	3.5% copper	29 g/t silver	ALS Global Metallurgical Lab. in Kamloops

Assay results were obtained from chemical and QEMSCAN analyses correlate reasonably well with initial chip channel sampling. A sub-sample was also submitted from each sample for a QEMSCAN Bulk Mineral Analysis to provide mineral composition and copper department information.

The main minerals identified via QEMSCAN are copper oxides and chalcocite followed by copper bearing silicates and covellite. As expected, near surface oxidize facies copper minerals are more common, explaining the significant amount of malachite. The presence of chalcocite (80% copper by weight) in sample 766 indicates some sulphide copper mineral replacement of oxides at shallow depths.

21-May-2020 Table 2. QEMSCAN Bulk Mineral Analysis

Percentage of Copper Bearing Mineral in Copper		
Mineral	#756	#766
Malachite/Azurite	82.0	57.5

Chalcocite	0.4	29.3
Copper Bearing Silicate	17.1	9.5
Covellite	0.3	3.4
Copper Bearing Iron Oxides	0.2	0.1
Pseudomalachite (Copper Phosphate)	0.1	0.0
Chalcopyrite	<0.1	<0.1
Bornite	<0.1	<0.1
Tennantite/Enargite	0.0	0.1
TOTAL	100	100

The first AM North bulk sample (#756) was obtained in the vicinity of the initial 4m by 1m rock panel sample that assayed 24.8% copper + 230g/t silver and the second bulk sample (#766) was collected close to initial 1m rock chip channel sample that assayed 10.4% copper + 88g/t silver over 1m. The AM North horizon is currently approximately 1.8-km long and is open along-strike as well as down and up-dip.

PGE Metals Americas Corp.

During the quarter, Max Resource Corp. established a wholly owned subsidiary named PGE Americas Metals Corp. whereby the company has transferred all of its rights in the PGE Choco project. This is the first step toward building a portfolio of platinum-group-element assets with a targeted focus on palladium, platinum and rhodium in order to capitalize on real-world technology metal deficits. The corporate intent is to unlock this value in both an accelerated and timely manner.

On March 25, 2020 Max announced the Company had entered into a letter of intent (LOI), through its wholly owned subsidiary, PGE Americas Metals Corp., to acquire 100 per cent of the EBAY palladium project, located 30 kilometres southeast of Matagami in the Abitibi region of Quebec, Canada. It is underlain by the Archean Bell River complex, a layered mafic intrusion measuring 65 kilometres by 15 km and five km thick. Excellent access to the project is via a network of logging roads and trails.

Highlight results from historic exploration between 2000 to 2008 include:

- 4.87 grams per tonne palladium-platinum from a four- to five-metre-wide northerly zone from blast pit grab sampling in 2000;
- 3.04 g/t palladium plus 1.39 g/t platinum plus 0.12 g/t rhodium (4.55 g/t palladium-platinum-rhodium) and highlight value of 0.18 g/t rhodium from grab sampling in 2005;
- 2.46 g/t palladium-platinum (rhodium was not assayed) from blast pit grab sampling of a newly discovered 500-metre-long zone in 2006;
- 1.90 g/t palladium-platinum over 3.0 m from 80.5 m to 83.5 m (rhodium was not assayed) from the EBAY palladium discovery drill hole in 2006. Palladium to platinum ratio varies from 1.25 to 1.0;
- EBAY palladium discovery was the first reported PGE (platinum group element) drill intersection from the Bell River complex;
- Drilling in 2007 resulted in the discovery of a new zone with 600 m on strike, 120 m deep, 6.7 m to 31.1 m wide, open in all directions, highlight values of 2.52 g/t palladium-platinum (rhodium not assayed) width not provided;
- 2007 drilling also includes highlight values of 1.12 per cent copper and 0.36 per cent nickel over 1.8 m interval;
- Subsequent aero-magnetic survey extended the target zone to 4.8 km of strike;
- Max is conducting reanalysis of drill core and for rhodium, iridium, osmium and ruthenium values.

The company cautions investors that grab samples are selected samples and are not necessarily representative of mineralization hosted on the project. The company also cautions investors it has not yet verified any of the historical exploration information (refer to Hinterland Metals AR 2005, Oct. 10 and Oct. 17, 2006, news releases; drill results from Hinterland Metals Nov. 21, 2006, March 13, 2007, and April 10, 2008, news releases).

1.3 Selected Annual Information

n/a – Annual requirement

1.4 Results of Operations

Three months ended March 31, 2020

During the three months ended March 31, 2020 (the “current period”), the Company incurred a loss of \$1,034,394 compared to a loss of \$1,190,361 for the three months ended March 31, 2019 (the “comparative period”). The significant variances between the current period compared to the comparative period are as follows:

Exploration and evaluation expenditures totalling \$199,609 were expensed in the current period (comparative period: \$418,040) as the amounts do not meet the capitalization criteria under IFRS 6. For further detail, see note 4 of the financial statements for the three months ended March 31, 2020 and the notes above.

During the current period, the Company incurred consulting expenses totalling \$320,351 and management fees totalling \$98,179. The comparative period had lower costs of \$279,433 and \$84,000 respectively. The Company’s level of activity has been rising since mid-2018 and has had more costs related to its operations including costs of consultants assisting with the process of raising capital, corporate strategy, and the sourcing and review of potential acquisition candidates.

Property investigation expenses decreased from \$64,902 to \$12,000 in the current period. During the current period the Company signed an LOI to acquire the EBAY project in Quebec.

Share based compensation totalled \$220,111 in the current period reflecting the fair value of stock options granted during the current period. There were no stock options granted in the comparative period.

1.5 Summary of Quarterly Results

	Q1-20	Q4-19	Q3-19	Q2-19	Q1-19	Q4-18	Q3-18	Q2-18
Other Items (\$)	-	-	-	-	-	-	-	-
Income (loss) (\$)	(1,034,394)	(880,106)	(1,196,442)	(1,513,933)	(1,190,361)	(1,286,437)	(739,602)	(959,140)
Income (loss) per Share (\$)	(0.04)	(0.07)	(0.10)	(0.13)	(0.10)	(0.12)	(0.06)	(0.12)

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 and fourth quarters 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 increased to \$1,094,034 . This included a \$220,111 expense related to the grant of stock options. During the quarter, the Company continued exploration at its Cesar project in Colombia whereby it incurred 199,609 in exploration and evaluation costs.

1.6 Liquidity and Solvency

At March 31, 2020, the Company had a working capital deficit of \$777,093 including cash on hand of \$54,711. This compares to working capital of \$60,683 at December 31, 2019, inclusive of cash of \$685,025.

The decrease in cash totalling \$630,315 during the three months ended March 31, 2020 was a result of operating activities consuming \$605,315 in cash.

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 March 31, 2020, the Company had a cash and cash equivalents balance of \$54,711 (December 31, 2019: \$685,025) to settle current liabilities of \$873,773 (December 31, 2019: \$678,254). 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 warrants.

1.8 Off Balance Sheet Arrangements

The Company has no off-Balance Sheet arrangements as of 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 trade payables and accrued liabilities:

	March 31, 2020	December 31, 2019
Directors and management of the Company	140,850	159,970
	\$ 140,850	\$ 159,970

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

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

Year ended:	March 31, 2020	March 31, 2019
Management fees paid to a company controlled by the CEO and a Director (Brett Matich)	\$ 74,179	\$ 84,000
Management fees paid to a company controlled by the CFO (Alex Helmel)	\$ 24,000	\$ 36,000
Management fees paid to a company controlled by the corporate secretary (Kelly Pladson)	\$ 7,500	\$ 9,000
	\$ 105,679	\$ 129,000

1.10 First Quarter Highlights

The Company's focus during the first quarter was to continue to exploration at its Colombian projects as described above.

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 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.

1.13 Changes in Accounting Policies including Initial Adoption

For details of the Company's accounting standards not yet adopted, new accounting standards adopted, and accounting standards amended but not yet effective, please refer to Note 2 of the Company's financial statements for the year ended December 31, 2019.

1.14 Classification of financial instruments

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

	March 31, 2020	December 31, 2019
Financial Assets:		
Cash	\$ 54,711	\$ 685,025

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

	March 31, 2020	December 31, 2019
Non-derivative financial liabilities:		
Trade payables	\$ 873,773	\$ 678,254
	\$ 873,773	\$ 678,254

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 March 31, 2020 and December 31, 2019:

	As at March 31, 2020		
	Level 1	Level 2	Level 3
Cash	\$ 54,711	\$ -	\$ -

	As at December 31, 2019		
	Level 1	Level 2	Level 3
Cash	\$ 678,254	\$ -	\$ -

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:

	March 31, 2020	December 31, 2019
Cash	\$ 2,472	\$ 922
Trade payables and accrued liabilities	77,429	90,092
	\$ 79,901	\$ 91,014

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

During the year ended December 31, 2019, certain employees of Noble in Colombia were registered under the Company's name with the Colombian tax authorities, without the consent of the Company (Note 5). 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

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

38,664,906 common shares issued and outstanding,
16,970,966 share purchase warrants outstanding, and
2,775,000 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 April 24, 2020, the Company has entered into shares for debt settlement agreements to issue a total of 3,637,750 common shares to consultants of the Company at a price of \$0.10 per share, thereby extinguishing a total of \$363,775 in liabilities. The shares were issued on May 8, 2020.
- b) On April 30, 2020, the Company issued 200,000 common shares on exercise of warrants for proceeds of \$20,000.
- c) On May 1, 2020, the Company issued 3,971,001 flow-through units (the "FT Units") at a price of \$0.075 per FT Unit. Each FT Unit is comprised of one flow-through common share and one-half of one warrant. Each whole warrant will entitle the holder to purchase one non-flow through common share for a period of two years at a price of \$0.10 per share. In addition, the Company has paid finder's fees of \$19,926 and issued 265,680 finder's warrants to an arm's-length party. Each finders warrant is exercisable into one common share for a period of up to two years at a price of \$0.10 per share.
- d) On May 11, 2020 the Company entered into an option agreement to acquire 100% of the Ebay palladium project, located in Quebec, Canada. The Company has an option to acquire a 100% undivided ownership interest in the property, subject to royalty obligations, by completing various cash payments totaling \$150,000, share issuances totaling a value of \$375,000 (2,950,000 shares issued on May 25, 2020) and exploration expenditures totaling \$1,500,000 on or before May 11, 2023 .
- e) 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, economies, and financial markets globally, potentially leading to an economic downturn. The Company has been affected as this has delayed its license applications and exploration work in Colombia, and may impact future funding.