Consolidated Financial Statements

For the years ended December 31, 2014 and 2013

Expressed in Canadian Dollars

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Max Resource Corp.:

We have audited the accompanying consolidated financial statements of Max Resource Corp. which comprise the consolidated statements of financial position as at December 31, 2014 and 2013, and the consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Max Resource Corp. as at December 31, 2014 and 2013, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter
Without modifying our opinion, we draw attention to Note 1 in the consolidated financial statements which describe matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

"DMCL"
DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED ACCOUNTANTS

Vancouver, Canada
April 10, 2015

An independent firm associated with Moore Stephens International Limited
MOORE STEPHENS

Max Resource Corp.
Consolidated statements of financial position
(Expressed in Canadian dollars)

	Notes	December 31, 2014	December 31, 2013
ASSETS			
Current assets			
Cash		$ 2,903	$ 203,229
Prepaids		4,793	4,223
Taxes recoverable		122	128
		7,818	207,580
Non-current assets			
Equipment	3	421	765
Reclamation deposits	4	53,498	32,097
Exploration and evaluation assets	4	537,553	2,138,969
		591,472	2,171,831
TOTAL ASSETS		$ 599,290	$ 2,379,411
LIABILITIES			
Current liabilities			
Trade payables and accrued liabilities	5	$ 326,423	$ 306,728
Related party loan	9	8,324	-
		334,747	306,728
EQUITY			
Share capital	7	14,059,099	13,754,038
Share purchase warrant reserve	8	292,851	288,562
Share-based payment reserve	8	2,125,781	1,997,335
Deficit		(16,213,188)	(13,967,252)
		264,543	2,072,683
TOTAL LIABILITIES AND EQUITY		$ 599,290	$ 2,379,411

Nature and continuance of operations (Note 1)
Subsequent events (Note 13)

APPROVED BY:

DIRECTOR *"Stuart Rogers"* **DIRECTOR** *"Paul John"*

Max Resource Corp.
Consolidated statements of loss and comprehensive loss
(Expressed in Canadian dollars)

	Notes	Years ended December 31, 2014	Years ended December 31, 2013
Expenses			
Amortization	3	$ 344	$ 338
Consulting	9	13,466	58,872
Foreign exchange loss		11,193	2,482
Management fees	9	-	120,000
Office and miscellaneous		38,261	40,884
Professional fees		39,955	63,350
Stock-based compensation	7, 9	128,446	-
Transfer agent, filing fees and shareholder relations		78,950	132,729
Travel and promotion		3,353	13,568
		(313,968)	(432,223)
Other items			
Impairment of exploration and evaluation assets	4	(1,931,968)	(664,494)
Interest income		-	2,196
		(1,931,968)	(662,298)
Loss and comprehensive loss for the year		$ (2,245,936)	$ (1,094,521)
Weighed average number of common shares outstanding	7	5,874,304	4,901,197
Loss per share – basic and diluted	7	$ (0.38)	$ (0.22)

See accompanying notes to the consolidated financial statements

Max Resource Corp.
Consolidated statement of changes in equity
(Expressed in Canadian dollars)

		Share capital		Reserves			
	Note	Number of shares	Amount	Share purchase warrant reserve	Share-based payment reserve	Deficit	Total
Balance at December 31, 2012		24,505,985	$ 13,754,038	$ 288,562	$ 1,997,335	$ (12,872,731)	$ 3,167,204
Comprehensive loss:							
Loss and comprehensive loss for the year		-	-	-	-	(1,094,521)	(1,094,521)
Balance at December 31, 2013		24,505,985	13,754,038	288,562	1,997,335	(13,967,252)	2,072,683
Comprehensive loss:							
Loss and comprehensive loss for the year		-	-	-	-	(2,245,936)	(2,245,936)
Shares issued for cash	7	6,320,000	316,000	-	-	-	316,000
Share issuance costs – finders' warrants	7	-	(4,289)	4,289	-	-	-
Share issuance costs – cash	7	-	(6,650)	-	-	-	(6,650)
Stock-based compensation	7	-	-	-	128,446	-	128,446
Balance at December 31, 2014		30,825,985	$ 14,059,099	$ 292,851	$ 2,125,781	$ (16,213,188)	$ 264,543

See accompanying notes to the consolidated financial statements

Max Resource Corp.
Consolidated statements of cash flows
(Expressed in Canadian dollars)

	Years ended	
	December 31, 2014	**December 31, 2013**
Operating activities		
Loss for the year	$ (2,245,936)	$ (1,094,521)
Adjustments for:		
Amortization	344	338
Impairment of exploration and evaluation assets	1,931,968	664,494
Stock-based compensation	128,446	-
Changes in non-cash working capital items:		
Decrease (increase) in prepaids	(570)	3,817
Decrease in taxes recoverable	6	21,529
Increase in trade payables and accrued liabilities	19,695	204,095
Net cash flows used in operating activities	(166,047)	(200,248)
Investing activities		
Expenditures on exploration and evaluation assets	(330,552)	(128,011)
Recovery of reclamation bonds	-	21,200
Additions to reclamation bonds	(21,401)	-
Net cash flows used in investing activities	(351,953)	(106,811)
Financing activities		
Shares issued for cash	316,000	-
Share issuance costs	(6,650)	-
Related party loan	8,324	-
Net cash flows provided by financing activities	317,674	-
Decrease in cash	(200,326)	(307,059)
Cash, beginning of year	203,229	510,288
Cash, end of year	**$ 2,903**	**$ 203,229**

Supplemental disclosure with respect to cash flows (Note 12)

1. Nature and continuance of operations

Max Resource Corp. (the "Company") was incorporated on April 25, 1994, under the laws of the province of Alberta, Canada, and its principal activity is the acquisition and exploration of mineral properties in Canada and the United States. The Company's shares are traded on the TSX Venture Exchange ("TSX-V") under the symbol "MXR". Subsequent to December 31, 2014, the Company completed a 5 for 1 share consolidation (Note 13).

The Company's head office is located at #2300 – 1066 West Hastings Street, Vancouver, British Columbia, Canada, V6E 3X2 and its registered and records office is located at 700 - 9th Avenue S.W. Calgary, Alberta, Canada, T2P 3V4.

These consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning that it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. As at December 31, 2014, the Company had an accumulated deficit of $16,213,1188 and a working capital deficiency of $326,929 and, to date, the Company has not generated any revenues to meet its operating and administrative expenses or its other obligations. As at December 31, 2014, the Company had not advanced its properties to commercial production and is not able to finance day to day activities through operations. The Company's continuation as a going concern is dependent upon the successful results from its mineral property exploration activities, its ability to raise equity capital or borrowings sufficient to meet current and future obligations and ultimately to attain profitable operations. These uncertainties may cast significant doubt on the ability of the Company to continue operations as a going concern. The Company currently does not have sufficient funds on hand to meet its current obligations. Management intends to finance operating costs over the next twelve months with private placements of the Company's common shares and loans from related parties.

2. Significant accounting policies and basis of preparation

These consolidated financial statements were authorized for issue on April 10, 2015 by the directors of the Company.

Statement of compliance with International Financial Reporting Standards

The consolidated financial statements of the Company comply with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

Basis of preparation

The consolidated financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified where applicable. The consolidated financial statements are presented in Canadian dollars unless otherwise noted.

2. Significant accounting policies and basis of preparation (cont'd)

Consolidation

The consolidated financial statements include the accounts of the Company and its controlled entities. Details of controlled entities are as follows:

		Percentage owned*	
	Country of incorporation	**December 31, 2013**	**December 31, 2012**
Max Resource, Inc.	USA	100%	100%

*Percentage of voting power is in proportion to ownership.

Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated on consolidation.

Significant estimates and assumptions

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 financial instruments and 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.

Significant judgments

The preparation of financial statements in accordance with IFRS requires management to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments applying to the Company's financial statements include:

- The assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty; and
- the classification and allocation of expenditures as exploration and evaluation expenditures or operating expenses.

Foreign currency translation

The functional currency of each entity is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Canadian dollars which is the parent company and subsidiary's functional and presentation currency.

2. Significant accounting policies and basis of preparation (cont'd)

Foreign currency translation (cont'd)

Transactions and balances:

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the statement of comprehensive loss in the period in which they arise, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive income in the statement of comprehensive income to the extent that gains and losses arising on those non-monetary items are also recognized in other comprehensive income. Where the non-monetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit or loss.

Exploration and evaluation expenditures

Costs incurred before the Company has obtained the legal rights to explore an area are expensed as incurred.

Exploration and evaluation expenditures include the costs of acquiring licenses and rights, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. Exploration and evaluation expenditures are capitalized. Option payments are considered acquisition costs provided that the Company has the intention of exercising the underlying option.

Property option agreements are exercisable entirely at the option of the optionee. Therefore, option payments (or recoveries) are recorded when payment is made (or received) and are not accrued.

Government tax credits received are recorded as a reduction to the cumulative costs incurred and capitalized on the related property.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

2. Significant accounting policies and basis of preparation (cont'd)

Farm outs

The Company does not record any expenditure made by the farmee on its account. It also does not recognize any gain or loss on its exploration and evaluation farm out arrangements but reallocates any costs previously capitalized in relation to the whole interest as relating to the partial interest retained and any consideration received directly from the farmee is credited against costs previously capitalized. A gain is only recognized when credited proceeds exceed carrying value.

Share-based payments

The Company operates an employee stock option plan. Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the share-based payment reserve. The fair value of options is determined at the grant date using a Black–Scholes pricing model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

Loss per share

Basic loss per share is calculated by dividing the loss attributable to common shareholders by the weighted average number of common shares outstanding in the period. For all periods presented, the loss attributable to common shareholders equals the reported loss attributable to owners of the Company. Diluted loss per share is calculated by the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period.

Financial instruments

The Company classifies its financial instruments in the following categories: at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale and financial liabilities. The classification depends on the purpose for which the financial instruments were acquired. The Company determines the classification of its financial instruments at initial recognition.

Financial assets are classified at fair value through profit or loss when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortized cost. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets.

2. Significant accounting policies and basis of preparation (cont'd)

Financial instruments *(cont'd)*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortized cost. Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period.

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not suitable to be classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments and are subsequently measured at fair value. These are included in current assets. Unrealized gains and losses are recognized in other comprehensive income, except for impairment losses and foreign exchange gains and losses on monetary financial assets.

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortized cost.

Regular purchases and sales of financial assets are recognized on the trade-date – the date on which the group commits to purchase the asset.

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a significant and prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen.

The Company does not have any derivative financial assets and liabilities.

Impairment of assets

The carrying amount of the Company's assets (which include equipment and exploration and evaluation assets) is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in the statement of income and comprehensive income.

The recoverable amount of an asset is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

2. Significant accounting policies and basis of preparation (cont'd)

Impairment of assets (cont'd)

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

Income taxes

Current income tax:

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax:

Deferred income tax is provided using the balance sheet method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and deferred income tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

2. Significant accounting policies and basis of preparation (cont'd)

Restoration and environmental obligations

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future restoration cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to exploration and evaluation assets along with a corresponding increase in the restoration provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The restoration asset will be depreciated on the same basis as other mining assets.

The Company's estimates of restoration costs could change as a result of changes in market conditions or regulatory requirements. These changes are recorded directly to mining assets with a corresponding entry to the restoration provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit or loss for the period.

The net present value of restoration costs arising from subsequent site damage that is incurred on an ongoing basis during production are charged to profit or loss in the period incurred.

The costs of restoration projects that were included in the provision are recorded against the provision as incurred. The costs to prevent and control environmental impacts at specific properties are capitalized or expensed in accordance with the Company's accounting policy for exploration and evaluation assets.

Equipment

Equipment is stated at historical cost less accumulated amortization and accumulated impairment losses.

Subsequent costs directly related to a recognized asset are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of significant replaced parts are derecognized. All other repairs and maintenance costs are charged to the statement of loss and comprehensive loss during the financial period in which they are incurred.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in profit or loss.

Amortization is calculated on a straight-line method to write off the cost of the assets to their residual values over their estimated useful lives. The amortization rates applicable to each category is as follows:

Class	Amortization rate
Equipment	30%

2. Significant accounting policies and basis of preparation (cont'd)

New accounting standards, amendments and interpretations

(a) New accounting standards adopted:

The following standards, amendments and interpretations have been adopted by the Company as of January 1, 2014. There was no impact on the financial statements as a result of the adoption of these standards, amendments and interpretations:

(i) Amendment to IAS 32 *Financial Instruments: Presentation;* and

(ii) New interpretation IFRIC 21 "Levies".

(b) Issued but not yet effective:

The following standards, amendments and interpretations plan to be adopted in the future. The Company has not yet assessed the impact these standards might have:

(i) IFRS 7 (Amendment): Standard amended to clarify requirements for mandatory effective dates and transition disclosures, effective for annual periods beginning on or after January 1, 2016; and

(ii) IFRS 9: New standard that replaced IAS 39 for classification and measurement of financial assets, effective for annual periods beginning on or after January 1, 2018.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

3. Equipment

Cost:		
At December 31, 2013 and 2014	$	5,148
Amortization:		
At December 31, 2012		4,045
Charge for the year		338
At December 31, 2013		4,383
Charge for the year		344
At December 31, 2014		4,727
Net book value:		
At December 31, 2013	$	765
At December 31, 2014	$	421

4. Exploration and evaluation assets

	Balance December 31, 2012	Additions	Impairments	Balance December 31, 2013	Additions	Impairments	Balance December 31, 2014
Acquisition costs:							
Diamond Peak, NV	$ 47,308	$ -	$ (47,308)	$ -	$ -	$ -	$ -
East Manhattan, NV	268,642	32,882	-	301,524	4,154	-	305,678
Table Top, NV	79,738	-	(79,738)	-	-	-	-
Majuba Hill, NV	298,192	58,703	-	356,895	90,410	(447,305)	-
	693,880	91,585	(127,046)	658,419	94,564	(447,305)	305,678
Exploration costs:							
Diamond Peak, NV	62,286	-	(62,286)	-	-	-	-
East Manhattan, NV	110,568	33,200	-	143,768	88,107	-	231,875
Table Top, NV	475,162	-	(475,162)	-	-	-	-
Majuba Hill, NV	1,272,556	64,226	-	1,336,782	147,881	(1,484,663)	-
	1,920,572	97,426	(537,448)	1,480,550	235,988	(1,484,663)	231,875
	$ 2,614,452	$ 189,011	$ (664,494)	$ 2,138,969	$ 330,552	$ (1,931,968)	$ 537,553

4. Exploration and evaluation assets (cont'd)

Diamond Peak, Nevada, United States

On May 9, 2006, the Company entered into an Option Agreement, as amended June 30, 2010, to acquire a 100% interest in the claims in Eureka County, Nevada, the "Diamond Peak Property", from The Wendt Family Trust. The Wendt Family Trust is controlled by Clancy J. Wendt, the Vice President of Exploration for the Company. The terms of the Option Agreement required the issuance to the Wendt Family Trust of 100,000 shares (issued) of the Company with a fair value of $40,000 at date of issue and certain rental payments.

During the year ended December 31, 2013, the Company decided to no longer proceed with the property and, as a result, wrote off $109,594 to the consolidated statement of loss and comprehensive loss.

At December 31, 2014, the BLM holds a $15,809 reclamation bond (December 31, 2013 - $15,809) from the Company to guarantee reclamation of the property.

East Manhattan, Nevada, United States

On November 11, 2007, as amended December 4 2008, December 21 2010 and August 22 2014, the Company entered into an option agreement with MSM Resource LLC ("MSM"), a Nevada corporation, for the acquisition of a 100% interest in the East Manhattan Wash ("East Manhattan") mineral claims located in Nye County, Nevada.

The terms of the option agreement with MSM called for payments totaling US$145,000 (paid) by December 31, 2014 and future payments of US$20,000 by June 30, 2015, US$30,000 by June 30, 2016 and US$40,000 by June 30, 2017.

In addition, the Company must make exploration expenditures totaling US$100,000 on the claims by December 4, 2014 (completed).

The East Manhattan Property is subject to a 3% NSR royalty. Upon full exercise of the option, the Company will own 100% of the project.

During the year ended December 31, 2013, the Company incurred $28,653 for geological consulting, $2,534 for assaying and field expenses of $2,013 on the East Manhattan project. During the year ended December 31, 2014, the Company incurred $25,009 for geological consulting, $43,530 for drilling and assaying and $19,568 for field expenses on the East Manhattan project.

During the year ended December 31, 2014, the Company paid $20,754 (US$18,800) to the Bureau of Land Management ("BLM") for a reclamation bond (December 31, 2013 - $Nil) to guarantee reclamation of the property on completion of drilling.

Table Top, Nevada, United States

On August 31, 2009, the Company entered into an option agreement with Energex, LLC ("Energex") to acquire a 100% interest in the Table Top claims in Humboldt County Nevada.

The terms of the Option Agreement with Energex required the payment of US$5,000 upon execution of the Agreement (paid), US$25,000 on the first anniversary of the Agreement (deferred), US$35,000 on the second anniversary of the Agreement and US$50,000 on each anniversary thereafter for a term of ten years, subject to renewal.

4. Exploration and evaluation assets (cont'd)

Table Top, Nevada, United States (cont'd)

During the year end December 31, 2013, the Company decided not to proceed with the property and, as a result, wrote off $554,900 to the consolidated statement of loss and comprehensive loss.

Majuba Hill, Nevada, United States

On March 4, 2011, the Company entered into an option agreement ("Agreement") to acquire up to a 75% interest in the Majuba Hill property in Pershing County, Nevada from Claremont Nevada Mines LLC., ("Claremont") of Nevada. The terms of the Agreement with Claremont allowed the Company to earn an initial 60% interest in the property over six years by spending US$6,500,000 on exploration of the property.

The Company could increase its interest in the property to 75% by spending a further US $3,500,000 on exploration over a subsequent two-year period. The Majuba Hill property would be subject to a 3% NSR payable to the vendor, 1.5% of which could be purchased at any time for US$1,500,000.

On December 3, 2012, the Company entered into a Mining Lease and Option to Purchase Agreement (the "Lease Agreement") with Claremont and JR Exploration LLC of Utah, as amended on December 3, 2013, February 13, 2014 and June 27, 2014. Under the terms of this new Lease Agreement, which replaces the previous Agreement with Claremont referenced above, the Company can acquire a 100% interest in the Majuba Hill property by the payment to Claremont of US$1,000,000 over a four year period, with US$200,000 having been paid on signing and the balance payable over a four year period as follows:

(i) US$40,000 on or before December 3, 2013 (paid);
(ii) US$10,000 on or before February 14, 2014 (paid);
(iii) US$15,000 on or before March 31, 2014 (paid);
(iv) US$16,000 on or before April 30, 2014 (paid);
(v) US$17,000 on or before May 31, 2014 (paid);
(vi) US$24,755 on or before June 30, 2014 (paid);
(vii) US$59,500 on or before October 31, 2014;
(viii) US$17,000 on or before November 30, 2014;
(ix) US$200,000 on or before December 3, 2014;
(x) US$200,000 on or before December 3, 2015; and
(xi) US$200,000 on or before December 3, 2016.

Under the terms of this new Lease Agreement, there will be no annual work commitments and the NSR was reduced from 3% to 1%.

During the year ended December 31, 2013, the Company incurred $49,914 for geological consulting fees, $7,381 for drilling and assaying and $6,931 for field expenses on the Majuba Hill project.

During the year ended December 31, 2014, the Company incurred $45,060 for geological consulting, $74,937 for drilling and assaying, and field expenses of $27,884 on the Majuba Hill property.

During the year ended December 31, 2014, the Company was unable to continue making the lease payments due on the Majuba Hill project, due to market conditions, and relinquished the property to the vendor. As a result, the Company wrote off $1,931,968 of accumulated acquisition and exploration costs during the year ended December 31, 2014.

4. Exploration and evaluation assets (cont'd)

Majuba Hill, Nevada, United States (cont'd)

At December 31, 2014, the BLM holds a $16,935 reclamation bond (December 31, 2013 - $16,288) from the Company to guarantee reclamation of the property. The Company increased its reclamation bond by $647 during the year ended December 31, 2014.

5. Trade payables and accrued liabilities

The components of trade payables and accrued liabilities are as follows:

	December 31, 2014	December 31,2013
Trade payables	$ 42,170	$ 22,753
Amounts due to related parties (Note 9)	284,253	268,975
Accrued liabilities	10,000	15,000
	$ 326,423	$ 306,728

6. Deferred tax assets and liabilities

A reconciliation of the expected income tax recovery to the actual income tax recovery is as follows:

	Year ended December 31, 2014	Year ended December 31, 2013
Net loss	$ (2,245,936)	$ (1,094,521)
Statutory tax rate	26%	25.75%
Expected income tax recovery at the statutory tax rate	(583,944)	(281,839)
Non-deductible items and other	(32,593)	(707)
Difference in tax rates in foreign jurisdiction	(82,220)	(51,399)
Effect of change in tax rates	-	(54,232)
Effect of foreign exchange rates	407,210	(24,572)
Expiration of loss carryforwards	38,798	-
Temporary differences not recognized	187,563	412,749
Income tax recovery	$ -	$ -

The Company has the following tax effected deductible temporary differences for which no deferred tax asset has been recognized:

	December 31, 2014	December 31, 2013
Non-capital loss carry-forwards	$ 3,589,752	$ 3,312,405
Exploration and evaluation assets	(87,023)	1,538
Share issuance costs	1,847	3,693
Equipment	1,462	838
Other	2,632	2,632
	$ 3,508,670	$ 3,321,107

6. Deferred tax assets and liabilities (cont'd)

The tax pools relating to these deductible temporary differences expire as follows:

	Canadian non-capital losses	Canadian resource pools	Canadian share issue costs	United States tax Losses (US$)	United States equipment and resource pools
2015	$ 161,439	$ -	$ 7,102	$ 4,080	$ -
2026	383,173	-	-	-	-
2027	518,148	-	-	174,949	-
2028	607,835	-	-	274,214	-
2029	720,438	-	-	3,153,918	-
2030	607,390	-	-	160,383	-
2031	788,671	-	-	164,777	-
2032	475,711	-	-	602,578	-
2033	363,424	-	-	1,209,311	-
2034	164,653	-	-	1,615,673	-
No or various expiries	-	388,924	-	-	456,168
	$ 4,790,882	$ 388,924	$ 7,102	$ 7,359,883	$ 456,168

7. Share capital

Authorized share capital

Unlimited number of common shares without par value.

Issued share capital

At December 31, 2014, there were 30,825,985 issued and fully paid common shares outstanding (2013– 24,505,985).

Subsequent to December 31, 2014, the Company completed a 5-old for 1-new share consolidation.

During the year ended December 31, 2014, the Company completed a non-brokered private placement of 6,320,000 units at $0.05 per unit for gross proceeds of $316,000. Each unit is comprised of one common share and one share purchase warrant. Each warrant entitles the holder to purchase one additional common share at a price of $0.12 per share until March 26, 2016. If at any time prior to the expiry date of the warrants, the closing price of the common shares of the Company on the TSX-V is equal to or greater than $1.25 for 30 consecutive days, then the Company may elect to provide notice to the warrant holders that the warrants will expire 30 days from the date of the notice. Finders' fees of $6,650 and 133,000 share purchase warrants, valued at $4,289, were paid in connection with this private placement. Each share purchase warrant is exercisable at $0.12 into one common share until March 26, 2016. The fair value of the share purchase warrants was determined using the Black-Scholes option-pricing model with the following assumptions: expected life - two years; volatility – 129%; dividend rate – nil; risk free interest rate – 1.06%.

7. Share capital (cont'd)

Basic and diluted loss per share

The calculation of basic and diluted loss per share for the year ended December 31, 2014 was based on the loss attributable to common shareholders of $2,245,936 (2013 - $1,094,521) and the weighted average number of common shares outstanding of 5,874,304 (2013 – 4,901,197). Diluted loss per share did not include the effect of outstanding stock options and warrants as they are anti-dilutive. The weighted average number of shares outstanding has been retroactively adjusted to reflect the 5 for 1 share consolidation (note 13).

Stock options

The Company has adopted an incentive stock option plan, which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the TSX-V requirements, grant to directors, officers, employees and technical consultants to the Company, non-transferable stock options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 20% of the Company's issued and outstanding common shares to a maximum of 4,901,195. Such options will be exercisable for a period of up to 5 years from the date of grant. Options granted typically vest on the grant date.

The changes in options during the years ended December 31, 2014 and 2013 are as follows:

	Number of options	Weighted average exercise price
Options outstanding, December 31, 2012	3,280,000	$ 0.26
Options expired	(1,080,000)	0.29
Options outstanding, December 31, 2013	2,200,000	0.24
Options forfeited	(250,000)	0.25
Options expired	(1,525,000)	0.24
Options granted	2,300,000	0.10
Options outstanding, December 31, 2014	2,725,000	$ 0.12
Options exercisable, December 31, 2014	2,425,000	$ 0.13

Details of options outstanding as at December 31, 2014 are as follows:

Exercise price	Number of options outstanding	Expiry Date
$ 0.25	425,000	February 22, 2015(1)
$ 0.10	2,300,000	May 7, 2016
	2,725,000	

(1) Subsequent to December 31, 2014, these options expired unexercised.

The weighted average remaining contractual life of stock options outstanding at December 31, 2014 is 1.16 years.

7. Share capital (cont'd)

On May 7, 2014, the Company granted 1,700,000 stock options to directors, officers, and consultants of the Company and 600,000 options to the Company's investor relations firm. The options have an exercise price of $0.10. The grant date fair value of the options granted was $136,088, based on the Black-Scholes option pricing model, with the following assumptions: risk free rate 1.07%; volatility of 136.20%; dividend rate 0%; forfeiture rate 0%; and expected life of 2 years. Stock-based compensation expense of $128,446 was recognized on options that vested.

Warrants

The changes in warrants during the years ended December 31, 2014 and 2013 are as follows:

	Number of warrants	Weighted average exercise price
Warrants outstanding, December 31, 2012	2,016,755	$ 0.38
Warrants expired	(2,016,755)	0.38
Warrants outstanding, December 31, 2013	-	-
Warrants issued	6,453,000	0.12
Warrants outstanding, December 31, 2014	6,453,000	$ 0.12

Details of warrants as at December 31, 2014 are as follows:

Exercise price	Number of warrants outstanding	Expiry Date
$ 0.12	6,453,000	March 26, 2016

8. Reserves

Share based payment reserve and share purchase warrant reserve

The reserves record items recognized as stock-based compensation expense until such time that the stock options or warrants are exercised, at which time the corresponding amount will be transferred to share capital.

9. Related party transactions

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

	December 31, 2014	December 31, 2013
Company controlled by a director of the Company	$ 132,220	$ 130,000
Directors of the Company	152,033	138,975
	$ 284,253	$ 268,975

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

9. Related party transactions (cont'd)

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

	Years ended	
	December 31, 2014	**December 31, 2013**
Short-term employee benefits:		
Management fees	$ -	$ 120,000
Consulting	5,666	58,572
Geological consulting	31,704	73,026
Stock-based compensation to officers and directors	67,657	-
	$ 105,027	$ 251,598

During the year ended December 31, 2014, the Company entered into a related party loan agreement for $8,324. The loan is non-interest bearing and has no fixed terms of repayment.

10. 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 majority of cash is deposited with major banks in Canada. As most of the Company's cash is held by two banks 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.

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. The Company's access to equity financing is dependent upon market conditions and market risks. 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 majority of cash is held in Canadian dollars.

10. Financial risk and capital management (cont'd)

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

	December 31, 2014	December 31, 2013
Cash	$ 1,593	$ 14,335
Reclamation deposits	43,343	24,543
Accounts payable	(150,813)	(138,975)
	$ (105,877)	$ (100,097)

Based on the above net exposures, as at December 31, 2014, a 10% change in the United States dollar to Canadian dollar exchange rate could impact the Company's net loss by $10,588 (December 31, 2013 - $10,010).

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 no-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 year. The Company is not subject to any externally imposed capital requirements.

Classification of financial instruments

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

	December 31, 2014	December 31, 2013
Loans and receivables:		
Cash	$ 2,903	$ 203,229
Reclamation deposits	53,498	32,097
	$ 56,401	$ 235,326

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

	December 31, 2014	December 31, 2013
Non-derivative financial liabilities:		
Trade payables	$ 32,170	$ 22,753
Amounts due to related parties	284,253	268,975
	$ 316,423	$ 291,728

Fair value

The carrying value of the Company's financial instruments approximates their fair value.

11. Segmented information

The primary business of the Company is the acquisition and exploration of mineral properties in the United States.

12. Supplemental cash flow information

During the years ended December 31, 2014 and 2013, the Company incurred the following non-cash transactions that are not reflected in the statement of cash flows:

	Years ended	
	December 31, 2014	**December 31, 2013**
Accrued net exploration costs for exploration and evaluation assets included in trade payables and accrued liabilities	$ -	$ 61,000

13. Subsequent events

Subsequent to December 31, 2014, the Company:

a) completed a share consolidation on the basis of five old shares for one new share, as was approved by a special resolution of the shareholders of the Company on October 14, 2014. As a result of the consolidation, the 30,825,985 common shares which were previously issued and outstanding have been reduced to 6,165,197 common shares. The effective date for the consolidation was February 24, 2015. The Company's name and stock symbol will remain unchanged; and

b) entered into a debt settlement agreement with a related party, for the settlement of debt of US$130,000. The Company agreed to satisfy the debt by assigning certain reclamation bond rights to the related party valued at US$43,343.

MAX RESOURCE CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL POSITION AND RESULTS OF OPERATIONS
For the year ended December 31, 2014

The following discussion and analysis should be read in conjunction with the consolidated financial statements and related notes for Max Resource Corp. ("MAX" or the "Company") for the year ended December 31, 2014. This discussion is based on information available as at April 10, 2015.

Management is responsible for the preparation and integrity of the 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 the consolidated financial statements and Management Discussion and Analysis ("MD&A"), is complete and reliable.

The accompanying audited annual consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of financial statements. All amounts are expressed in Canadian dollars, unless otherwise stated.

Certain statements made may constitute forward-looking statements. Such statements involve a number of known and unknown risks, uncertainties and other factors. Actual results, performance and achievements may be materially different from those expressed or implied by these forward-looking statements. Additional information about MAX is available at www.sedar.com.

Overview

Exploration and Evaluation Assets

During the year, the Company conducted drill programs at its Majuba Hill copper/silver project and East Manhattan Wash gold project in Nevada.

Drilling at Majuba Hill commenced in late May, 2014 with one hole drilled and the assay results announced on June 25, 2014. This hole, MMX-24, was drilled to a depth of 365.8 metres ("m") and intercepted 222.6 m @ 0.27% Cu and 10.1 g/t Ag, inclusive of 117.4 m @ 0.43% Cu and 12.0 g/t Ag.

At East Manhattan Wash, drilling commenced July 19, 2014 and targeted a surface soil anomaly exposed over a surface area in excess of 1,650 m by 450 m that was identified by soil sampling programs that were conducted by MAX between 2009 and 2013. This shallow drill program was completed in early August 2014 with assay results from the first two holes released in September 2014. These first two holes were drilled vertically to a depth of 39.3 m and 38.1 m respectively and returned anomalous gold throughout their entire length. The best drill result was from hole EMW-02, which returned 13.7 m of 0.106 g/t Au beginning at a depth of 1.5 m, with hole EMW-07 returning 7.62 m of 0.034 g/t Au.

On November 14, 2014, the Company advised that, due to market conditions, it was unable to continue making the lease payments due on its Majuba Hill copper/silver project in Nevada and relinquished the property to the vendor. As a result of the termination of the option agreement, the Company wrote off $1,931,968 of accumulated acquisition and exploration costs during the year ended December 31, 2014.

East Manhattan Wash gold project, Nye County, Nevada

In December, 2007, MAX entered into an Option Agreement to acquire a 100 % interest in the East Manhattan Wash ("EMW") claims in the Manhattan Mining District, Nye County, Nevada from MSM LLC, a Nevada corporation. The EMW property is comprised of 78 claims (1,560 acres) located 40 miles north of the town of Tonopah.

During June 2014, MAX received approval from the U.S. Forest Service to begin drilling at EMW after July 15, 2014. Drilling commenced July 19, 2014 and targeted a surface soil anomaly exposed over a surface area in excess of 1,650 m by 450 m that was identified by soil sampling programs that were conducted by MAX between 2009 and 2013. Mineralization appears to be free gold in a volcanic lithic welded tuff that was drill tested to determine the overall depth of the gold mineralization, extend the known mineralization below cover, and determine the overall grade. This seven hole drill program was completed in early August, with assay results from the first two holes released on September 12, 2014.

These first two holes were drilled vertically to a depth of 39.3 m and 38.1 m respectively and returned anomalous gold throughout their entire length. The best drill result was from hole EMW-02, which returned 13.7 m of 0.106 g/t Au beginning at a depth of 1.5 m, with hole EMW-07 returning 7.62 m of 0.034 g/t Au. Due to a concern about the effect that coarse gold in the sample may have had upon these assay results, these two drill holes were subsequently re-assayed at a different laboratory using a larger sample size from the reject in order to verify the initial results. The original assays, which were conducted on 250 gram splits, showed high variability at grades >~0.1 ppm, therefore 1000 gram splits were used to reduce the effect that coarse gold might have on the results. While this second lab reported higher gold values on the higher grade sections of the mineralized intercepts previously reported, this did not result in a meaningful increase in the length or overall grade of the mineralized intervals.

Core from the remaining five holes drilled this summer was reviewed based on this new information and it was determined that the gold mineralization intercepted at EMW represents supergene mineralization at surface that does not have sufficient overall grade to warrant further analysis of the remaining drill core.

Analysis was performed by McClelland Laboratories, Inc. an ISO 17025 certified facility in Sparks, Nevada, using fire assay with an AA finish. Standards and duplicates were used for quality control of the samples. A larger 1000 gram split was made for the 30 gram fire assay to obtain a more representative assay for potential coarse gold in the sample.

This drill data we now have will be considered, in conjunction with the extensive surface sampling data we have compiled, in identifying targets for future exploration at EMW, which may include targeting higher grade vein systems at depth, which is what the Manhattan mining district is primarily known for.

Exploration History

More than 1,000,000 ounces of gold have been mined in the Manhattan Mining District. Production has included the nearby Manhattan mine (1974-1990), an open-pit operation that produced 236,000 ounces of gold at an average grade of 0.08 ounce per ton ("opt"). The Echo Bay East and West Pit deposits operated in the early 1990s, producing 260,000 ounces at an average grade of 0.06 opt. The Round Mountain Mine (Kinross/Barrick), situated eight miles north of East Manhattan Wash, is a conventional open pit operation that has produced more than 12 million ounces of gold to date.

In March 2009, the Company announced the results of the first large (bulk) sample taken from the EMW claims. This bulk sample weighed 793 pounds and was crushed to particles of less than 1 millimetre in size. The sample was then processed on a Wilfley Table to concentrate the heavy minerals. From this concentrate, a fired bead was made to produce a gold/silver "button". This button, which weighed 2.67 grams, was then analyzed using a NITON x-ray analyzer and was found to contain approximately 80% gold and 20% silver. On a per ton basis, this is equivalent to 6.1 grams of gold/silver per ton, or **4.9 g/t gold and 1.2 g/t silver.**

Following up the results of the bulk sample, MAX completed three large volume soil sampling grids in May of 2009 at EMW. The sampling program was designed to delineate the geometry of the native gold mineralization in three areas of interest. Significant values in the samples that were taken ranged from 0.05 ppm to 0.32 ppm gold with two of the zones being open in at least three directions.

The first two grids are located in a volcanic rhyolite lithic tuff hosting coarse gold. These areas, the "Gold Pit" and the "Old Drill Hole" grids, were sampled first by clearing a 1 meter by 1 meter area of surface debris then removing the organic (A) and root (B) soil horizons in turn. The sample was collected and consisted of a mixture of the soils directly above the bedrock (C horizon) and a portion of the bedrock below the soil. The sample was then sieved to ¼ inch minus then bagged.

These holes ranged from 12 inches to 48 inches in depth. Each hole location was identified with a 16 inch wooden stake labelled with an aluminum tag and backfilled to minimize disturbance. This technique was used to look at a small representative area and obtain any coarse gold trapped in the bedrock fractures.

In the first area, the Old Drill Hole grid, 30 samples were taken. The values ranged from nil to 0.32 ppm gold. The mineralized zone was 1200 feet long and 600 feet wide and was open in all four directions. Further work was undertaken to define the full areal extent of mineralization in this zone.

At the Gold Pit grid, located approximately 500 feet west of the Old Drill Hole grid, the area of significant mineralization was 1000 feet long by 250 feet wide. Again, the values range from nil to 0.32 ppm Au. The geology of the "Gold Pit" area consists of lithic rhyolitic and lapilli tuffs. These tuffs are locally argillically altered with minor local silicification.

A metallurgical sample was also taken and the entire sample contained 0.018 opt Au. This sample was found to contain visible native gold in the concentrate, middling's, and the reject, with equal values in each of the three sizes. The gold found is from fine to coarse grained in size and did not seem to be in any one size fraction.

In early November 2009, MAX received the assays from additional soil sampling completed at EMW. The sampling was designed to further delineate the geometry of the native gold mineralization in the two main areas of interest, the "Gold Pit" and the "Old Drill Hole Grid", which sampling now indicates are joined. A total of 138 samples were taken, with significant values ranging from **0.05 ppm to 1.5 ppm (1.5 g/t) gold**. The total mineralized zone now encompasses an area 5,500 by 1,500 feet in size while still remaining open to the north, east, and west.

MAX staff also sampled historic prospector pits to the southeast of the Old Drill Hole Grid and returned high gold values (0.96 g/t) from soils around the pits that indicate that the mineralized zone continues and may be linked to another mineralized zone sampled by MAX further south, the "Southeast Extension".

In September 2010, MAX completed additional soil sampling that was designed to further delineate the geometry of the native gold mineralization at EMW, which previously encompassed the "Gold Pit", the "Old Drill Hole Grid" and now includes the "Southeast Extension". This sampling has filled in the open areas within these grids, where 163 new samples were taken with significant values ranging from **0.05 ppm to 1.27 ppm (1.27 g/t) gold**. While the total mineralized zone now exposed at surface encompasses an area in excess of 1,650 m by 450 m in size, the mineralized area is much larger but is covered by either overburden or alluvium.

The Gold Pit, Old Drill Hole Grid and Southeast Extension are located in a volcanic rhyolite lithic tuff hosting coarse gold. The sampling between the three pits has now enabled MAX to identify structural linear features seen in air photo images along with argillic alteration that appears to define where strong gold values may be found. Historic pits dug by earlier prospectors have helped to define the areas of mineralization and to confirm the presence of gold. A soil sampling map is available on our web site at www.maxresource.com.

In August 2013 MAX announced assay results from additional bulk sampling completed at EMW. This bulk sampling was undertaken to prepare for drilling planned for this fall, subject to permitting. Just north of this area, the very small streams all contain free gold that can be recovered by conventional gold panning techniques. During the 2013 program, two 10 kg samples were taken, one from the same area as the 2009 bulk sample and the second from an area approximately 150 meters to the east. The first 10 kg sample returned **1.5 g/t au** and the second sample returned **0.87 g/t Au.**

Drilling commenced July 19, 2014 and targeted a surface soil anomaly exposed over a surface area in excess of 1,650 m by 450 m that was identified by soil sampling programs that were conducted by MAX between 2009 and 2013. This shallow seven hole drill program was completed in early August 2014 with assay results released in September, as described earlier in this report.

During the year ended December 31, 2013, the Company incurred $28,653 for geological consulting fees, $2,534 for assaying costs and field expenses of $2,013 on the East Manhattan project.

During the year ended December 31, 2014, the Company incurred $25,009 for geological consulting, $43,530 for drilling and assays and $19,568 for field expenses on the East Manhattan Project.

Majuba Hill copper/gold/silver property, Pershing County, Nevada

During the period under review, MAX conducted a development drill program at Majuba Hill designed to follow up on drilling success achieved in 2011 and 2012. Drilling commenced in late May, 2014 with one hole drilled and the assay results announced on June 25, 2014. This hole, MMX-24, was drilled to a depth of 365.8 metres ("m") and intercepted 222.6 m @ 0.27% Cu and 10.1 g/t Ag, inclusive of 117.4 m @ 0.43% Cu and 12.0 g/t Ag. MMX-24 was drilled roughly parallel to and 85 m northwest and 25 m below the collar of MAX's hole MM-21, drilled in 2012, which intersected 332 m @ 0.13% Cu and 12 g/t Ag.

Analysis was performed by Bureau Veritas (Inspectorate), an ISO certified facility in Reno, Nevada, using multi-element method MA330 (ICP-ES) techniques producing assays for a 30 element suite of minerals. Over-limit analyses were performed according to procedure MA410. No analysis was conducted for gold. Standards, duplicates and blanks were used for quality control of the samples. After the core is logged for each drill hole, the location of each site is located using a GPS in UTM coordinates using NAD 83 datum. The core is then hydraulically split and put into a sample bag which is labelled for each interval and taken from the core facility to the Bureau Veritas laboratory.

During the year ended December 31, 2013, the Company incurred $49,914 for geological consulting fees, $7,381 for assaying and $6,931 for field expenses on the Majuba Hill project.

During the year ended December 31, 2014, the Company incurred $45,060 for geological consulting fees, $74,937 for assaying, and $27,884 for field expenses on the Majuba Hill project.

On November 14, 2014, the Company advised that, due to market conditions, it was unable to continue making the lease payments due on its Majuba Hill copper/silver project in Nevada and relinquished the property to the vendor. As a result of the termination of the option agreement, the Company wrote off $1,931,968 of accumulated acquisition and exploration costs during the year ended December 31, 2014.

Private placement

During the year ended December 31, 2014, the Company completed a non-brokered private placement of 6,320,000 units at $0.05 per unit for gross proceeds of $316,000. Each unit is comprised one common share and one share purchase warrant. Each warrant entitles the holder to purchase one additional common share at an exercise price of $0.12 per share until March 26, 2016. If at any time prior to the expiry date of the warrants, the closing price of the common shares of the Company on the TSX Venture Exchange ("TSX-V") is equal to or greater than $1.25 for 30 consecutive days, then the Company may elect to provide notice to the warrant holders that the warrants will expire 30 days from the date of the notice. Finders' fees of $6,650 and 133,000 share purchase warrants, valued at $4,289, were paid in connection with this private placement. Each share purchase warrant is exercisable at $0.12 into one common share for a two year period.

The net proceeds from this private placement were used to fund exploration activities conducted this spring and summer at the Company's Majuba Hill (silver/copper/gold) and East Manhattan Wash (gold) projects in Nevada and for general working capital.

Grant of incentive stock options

During May 2014, MAX granted incentive stock options the will enable the holders to acquire up to 2,300,000 common shares at a price of $0.10 per share until May 7, 2016.

A total of 1,700,000 of these options were granted to directors and consultants and vest immediately. The remaining 600,000 incentive stock were granted to Paradox Public Relations Inc., the Company's investor relations consultants, and are subject to vesting provisions in accordance with TSX-V policies.

Share Consolidation

On February 24, 2015 MAX consolidated its shares on the basis of five (5) old shares for one (1) new share, as was approved by a special resolution of the shareholders of the Company on October 14, 2014. As a result of the consolidation, the 30,825,985 common shares which were previously issued and outstanding have been reduced to 6,165,197 common shares. Each fractional common share equal to or greater than 0.5 common shares was rounded up to the nearest whole common share and each fractional common share less than 0.5 common shares was rounded down to the nearest whole common share.

The Company's name and stock symbol remain unchanged, with the post-consolidation common shares of the Company now trading under the new CUSIP number 57772U208 and the new ISIN number CA57772U2083.

Voluntary Termination of Share Registration in the U.S.

On March 13, 2015 MAX filed a Form 15 with the U.S. Securities and Exchange Commission ("SEC") to voluntarily terminate the registration of its common shares under the U.S. Securities Exchange Act of 1934 (the "1934 Act").

It is anticipated that termination of the registration under the 1934 Act will take effect no later than 90 days following the filing of the Form 15. As a result of this filing, the Company has stopped filing certain reports, including Form 20-F and Form 6-K, with the SEC. MAX will remain quoted on the OTC Pink marketplace under its symbol "MXROF".

Results of Operations

During the year ended December 31, 2014 (the "current period"), the Company incurred a loss of $2,245,936 as compared to a loss of $1,094,521 for the year ended December 31, 2013 (the "comparative period"). The significant changes during the current nine-month period compared to the comparative nine-month period are as follows:

Consulting fees were reduced to $13,466 during the current period from the $58,572 incurred during the comparative period. This was due to a reduction in consulting fees incurred for project review and evaluation.

A foreign exchange loss of $11,193 was incurred during the current period as compared to a loss of $2,482 being incurring during the comparative period. The increase in loss during the current period was the result of a change in the foreign currency rate for a trade payable balance denominated in United States Dollars.

Management fees decreased to $nil during the current period from $120,000 accrued during the comparative period. The reason for the decrease was that the Company's CEO did not accrue any fees for the current period.

Professional fees decreased to $39,995 during the current period from $63,350 incurred during the comparative period. During the comparative period a monthly fee of $3,500 was being charged for accounting and administrative services during the first five months of the year. This fee was reduced to $1,500 per quarter commencing June 1, 2013.

Stock-based compensation expense increased to $128,446 as a result of the vesting of stock options granted by the Company during the current period. No options vested or were granted during the comparative period.

Transfer agent, filing fees and shareholder relations expenses decreased to $78,950 during the current period from the $132,729 incurred during the comparative period. This was primarily due to decreased expenditures on investor relations activities and advertising during the current period.

Travel and promotional expenses were reduced to $3,353 during the current period from the $13,568 incurred during the comparative period due to a reduction in travel for project review and trade show attendance during the current period.

Due to the abandonment of the Diamond Peak and Table Top properties in August 2013 when annual Bureau of Land Management ("BLM") payments became due, the Company wrote off acquisition and exploration expenses of $664,494 during the comparative period. This compares to a write-off of $1,931,968 during the current period on relinquishment of the Majuba Hill project.

Selected Annual Information

Year ended December 31	2014	2013	2012
Loss on Other Items	$(1,931,968)	$(662,298)	$(1,170,344)
Loss before Other Items	$(313,868)	$(432,223)	$(669,754)
Per Share	$(0.05)	$(0.09)	$(0.14)
Net Loss	$(2,245,936)	$(1,094,521)	$(1,840,099)
Per Share	$(0.38)	$(0.22)	$(0.38)
Total assets	$599,290	$2,379,411	$3,208,837
Long-Term Liabilities	$Nil	$Nil	$Nil

The net loss for fiscal 2012 increased to $1,840,099 from $1,112,646 incurred during fiscal 2011 primarily due to the write-off of $1,177,622 on the C de Baca and Ravin properties as compared to a write-off of $Nil in fiscal 2011. This was partially offset by a decrease in stock-based compensation, which was $115,570 in fiscal 2012 as compared to $509,357 during the 2011 fiscal year.

The net loss for fiscal 2013 decreased to $1,094,521 from $1,840,099 incurred during fiscal 2012 primarily due to the write-off of $664,494 on the Diamond Peak and Table Top properties as compared to a write-off of $1,177,622 on the C de Baca and Ravin properties in fiscal 2012, as well as the elimination of stock-based compensation expense during fiscal 2013, compared to an expense of $115,570 incurred in fiscal 2012.

The net loss for fiscal 2014 increased to $2,245,936 from $1,094,521 incurred during fiscal 2013 primarily due to the write-off of $1,931,968 on the Majuba Hill property as compared to a write-off of $664,494 on the Diamond Peak and Table Top properties in fiscal 2013.

Summary of Quarterly Results

	Q4-14	Q3-14	Q2-14	Q1-14	Q4-13	Q3-13	Q2-13	Q1-13
Other Items ($)	-	(1,931,968)	-	-	-	(664,494)	1,030	1,166
Loss ($)	(61,462)	(1,988,283)	(136,949)	(59,242)	(75,721)	(779,243)	(113,045)	(126,512)
Loss per Share($)	(0.01)	(0.06)	(0.01)	(0.00)	(0.00)	(0.03)	(0.00)	(0.01)

The loss for the first quarter of fiscal 2013 increased to $126,512 from the loss of $109,978 incurred during the fourth quarter of fiscal 2012. The increase was primarily due to additional audit fees incurred with respect to the 2012 year end audit in excess of the amount that had been accrued.

The loss for the second quarter of fiscal 2013 decreased to $113,045 from the loss of $126,512 incurred during the first quarter of fiscal 2013. There was an overall decrease in most expenses as management continues to focus on cash preservation. Consulting is the only expense that increased during the current period as a result of expensing a higher percentage of Clancy Wendt's monthly invoices that were previously capitalized to exploration and evaluation assets.

The loss for the third quarter of fiscal 2013 increased to $779,243 from $113,045 incurred in the second quarter of fiscal 2013. The primary change between these two quarters relates to the write-off of $664,494 on abandonment of the Diamond Peak and Table Top properties during the current quarter.

The loss for the fourth quarter of fiscal 2013 decreased to $75,721 from $779,243 incurred in the third quarter of fiscal 2013. The primary change between these two quarters relates to the write-off of $664,494 on abandonment of the Diamond Peak and Table Top properties that was recorded during the prior quarter.

The loss for the first quarter of fiscal 2014 decreased to $59,242 from $75,721 incurred during the fourth quarter of fiscal 2013. The primary change between these two quarters relates to a decrease in management fees to $nil in the first quarter from the $30,000 incurred in the fourth quarter of fiscal 2013. The decrease in management fees was offset by an increase in consulting fees as a result of the Company incurring costs to its VP exploration for non-exploration work.

The loss for the second quarter of fiscal 2014 increased to $136,949 from $59,242 mainly as a result of stock-based compensation expense of $79,946 relating to stock options that were granted and vested during the second quarter (see above).

The loss for the third quarter of fiscal 2014 increased to $1,988,283 from $136,949 primarily due to a write-off of $1,933,028 due to the relinquishment of the Majuba Hill project in November 2014.

The loss for the fourth quarter of fiscal 2014 decreased to $61,462 from the $1,988,283 incurred in the third quarter of fiscal 2014. The primary change between these two quarters relates to the write-off of $1,931,968 on relinquishment of the Majuba Hill property that was recorded during the third quarter.

Liquidity and Solvency

At December 31, 2014, the Company had a working capital deficiency of $326,929 and cash on hand of $7,818. This compares to a working capital deficiency of $99,148 at December 31 2013, inclusive of cash of $203,229.

The decrease in cash of $200,326 during the year ended December 31, 2014 was due to net cash used in operating activities of $166,047, expenditures on exploration and evaluation assets of $330,552 and the purchase of a reclamation bond of $21,401, offset by the receipt of $309,350 of net proceeds from the closing of the non-brokered private placement and a loan from a related party of $8,324.

As of the date of this report, MAX has approximately $14,000 in cash which was provided to the Company by related parties in the form of loans. The Company will need to find additional sources of funding in order to maintain its interests in its key property through fiscal 2015 as well as fund its general and administrative expenses through the same period. The Company has commitments in the future (next fiscal year and beyond) on its mineral property and may be forced to abandon this property if the Company does not have the financial means to meet these commitments, or does not feel it is fiscally prudent to do so.

During fiscal 2014, MAX has focused its efforts and cash resources on limited exploration at its Majuba Hill and East Manhattan Wash projects in Nevada. It is anticipated that the Company will have to obtain other financing or raise additional funds in order

to meet its commitments and conduct further exploration at East Manhattan Wash during the balance of fiscal 2014 and beyond. 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. Failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration and development of its property, or the loss of its property.

Related Party Transactions

Related party balances

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

		September 30, 2014		December 31, 2013
Company controlled by a director of the Company	$	132,220	$	130,000
Director of the Company		152,033		138,975
	$	284,253	$	268,975

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

Key management personnel compensation

During the year ended December 31, 2014, the Company accrued management fees of $Nil (2013 - $120,000) to a private company controlled by Stuart Rogers, the CEO of the Company.

During the three months ended April 30, 2014, $9,000 (2013 - $4,500) was paid to a private company wholly-owned by Stuart Rogers, a director and officer of the Company, for office rent and administration services provided to the Company.
During the year ended December 31, 2014, the Company paid $31,704 (2013 – $73,026) to a private company controlled by Clancy Wendt, the VP Exploration and a Director of the Company, for geologic consulting services incurred on the Company's properties during the current period. In addition, a further $5,666 (2013- $58,572) was paid to this same private company for consulting services provided during this same period.

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 two banks 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 on 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 the issuance of equity securities for cash, primarily through private placements. 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:

	December 31, 2014	December 31, 2013
Cash	$ 1,593	$ 14,335
Reclamation bonds	43,343	24,543
Trade payables and accrued liabilities	(150,813)	(138,975)
	$ (105,877)	$ (100,097)

Based on the above net exposures, as at December 31, 2014, a 10% change in the United States dollar to Canadian dollar exchange rate could impact the Company's loss and comprehensive loss by $10,588 (December 31, 2013 - $10,010).

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 no-interest bearing debt, therefore, interest rate risk is nominal.

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 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.

Classification of financial instruments

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

	December 31, 2014	December 31, 2013
Cash	$ 2,903	$ 203,229
Reclamation deposits	53,498	32,097
	$ 56,401	$ 235,326

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

	December 31, 2014	December 31, 2013
Non-derivative financial liabilities:		
Trade payables	$ 32,170	$ 22,753
Amounts due to related parties	284,253	268,975
	$ 316,423	$ 291,728

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 December 31, 2014 and December 31, 2013:

	As at December 31, 2014		
	Level 1	**Level 2**	**Level 3**
Cash	$ 2,903	$ -	$ -

	As at December 31, 2013		
	Level 1	**Level 2**	**Level 3**
Cash	$ 203,229	$ -	$ -

Contingencies

The Company is not aware of any contingencies or pending legal proceedings as of April 13, 2015.

Off Balance Sheet Arrangements

The Company has no off Balance Sheet arrangements as of April 13, 2015.

Proposed Transactions

The Company has no proposed transactions as of April 13, 2015.

Equity Securities Issued and Outstanding

The Company has 6,165,197 common shares issued and outstanding as of April 13, 2015. In addition, there are 460,000 incentive stock options outstanding with an exercise price of $0.50 expiring on May 7, 2016 and 1,290,600 share purchase warrants outstanding with an exercise price of $0.12 per share expiring on March 26, 2016.

Disclaimer

The information provided in this document is not intended to be a comprehensive review of all matters concerning the Company. It should be read in conjunction with all other disclosure documents provided by the Company. No securities commission or regulatory authority has reviewed the accuracy or adequacy of the information presented herein.

Certain statements contained in this document constitute "forward-looking statements". Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance, or achievements of the Company to be materially different from any future results, performance, or achievements expressly stated or implied by such forward-looking statements. Such factors include, among others, the following: mineral exploration and development costs and results, fluctuation in the prices of commodities for which the Company is exploring, foreign operations and foreign government regulations, competition, uninsured risks, recoverability of resources discovered, capitalization requirements, commercial viability, environmental risks and obligations, and the requirement for obtaining permits and licenses for the Company's operations in the jurisdictions in which it operates.