

GrowMax Provides Corporate Update

VANCOUVER, Dec. 10, 2019 /CNW/ - GrowMax Resources Corp. (TSXV: GRO) ("**GrowMax**" or the "**Company**") is pleased to announce that, further to its news releases of August 27, 2019 and September 6, 2019, the Company is in the process of finalizing its filing statement for its proposed change of business from mineral exploration to investment issuer (the "**Proposed COB**") under the rules of the TSX Venture Exchange (the "**TSXV**"). The shareholders of the Company approved the Proposed COB at the Company's annual general and special meeting on August 7, 2019 (the "**Meeting**").

The Company intends to submit its formal application for approval of the Proposed COB to the TSXV in the next few weeks. Trading in the common shares of the Company has been halted and will remain halted pending review of the Proposed COB by the TSXV. Barring any unforeseen issues in the TSXV review of its Proposed COB, The Company anticipates that its common shares will begin trading again in January of 2020.

The Company is also pleased to announce its investment in Algernon Pharmaceuticals Inc. ("**Algernon**") which was made in accordance with the Company's investment policy announced on August 12, 2019.

Algernon's business strategy is to fast track a number of its lead compounds into phase II clinical trials as quickly and as inexpensively as possible by leveraging the currently existing regulatory approval in the country of origin where the drugs were originally approved. Conducting off label phase II trials in the drugs' currently approved market would save the company from conducting all of the preclinical toxicology work. This additional work would in comparison, add significant time and costs to the Company's development timeline and budget. The next step post positive phase II results would be to begin the USFDA approval process.

The Company's investment in Algernon together with its investments Quality Green Inc., Sweet Earth Holdings Corporation, Hempfusion, Inc. and First Responder Technologies Inc. are in line with the Company's business focus on early stage investments in growth sectors and near term liquidity for the Company. Both Quality Green and Sweet Earth are arm's length to the Company.

As at November 30, 2019, the Company has approximately \$22.5 million in working capital (defined as current assets less current liabilities). As at November 30, 2019, the Company's current assets include cash of approximately \$16.6 million, equity investments of approximately \$5.4 million and other current assets of approximately \$4.0 million. As at November 30, 2019, the Company's current liabilities total approximately \$3.5 million.

Litigation

The Company also announces that a claim has been made in the Alberta Court of Queen's Bench against the Company by Jorge Lau Yook ("**Lau**") for payments purportedly owing under a Rights Transfer Agreement made between the Company, its Peruvian subsidiary and Lau. The claim is for US \$1.5 million in relation to property payment.

The Company has filed both a statement of defense and a counter-claim. In its statement of defense, the Company denies any indebtedness to Lau. In its counter-claim, the Company seeks damages against Lau for money, assets and resources wrongfully taken, used or misappropriated and damages for loss of corporate opportunities.

NEITHER THE TSX VENTURE EXCHANGE NOR ITS REGULATION SERVICES PROVIDER (AS THAT TERM IS DEFINED IN THE POLICIES OF THE TSX VENTURE EXCHANGE) ACCEPTS RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THIS RELEASE.

Forward-looking information

This press release contains "forward-looking information" within the meaning of applicable Canadian securities legislation. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of GrowMax, as the case may be, to be materially different from those expressed or implied by such forward-looking information. Although GrowMax has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. GrowMax does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

Completion of the Proposed COB is subject to a number of conditions, including but not limited to, Exchange acceptance and if applicable, disinterested shareholder approval. Where applicable, the Proposed COB cannot close until the required shareholder approval is obtained.

There can be no assurance that the Proposed COB will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the management information circular or filing statement to be prepared in connection with the transaction, any information released or received with respect to the transaction may not be accurate or complete and should not be relied upon. Trading in the securities of the Company should be considered highly speculative.

The TSX Venture Exchange Inc. has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this news release.

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For further information: about GrowMax, please contact: Kal Malhi, Chief Executive Officer, 604-805-4602

CO: GrowMax Resources Corp.

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