

**GROWMAX RESOURCES CORP.**  
**INTERIM MD&A – QUARTERLY HIGHLIGHTS**  
**September 30, 2018**

## 1. Introduction and Overview

This interim management's discussion and analysis ("MD&A") – Quarterly Highlights for GrowMax Resources Corp. (TSX-V:GRO) should be read in conjunction with the Company's condensed interim consolidated financial statements as at and for the period ended September 30, 2018 and the Company's annual MD&A and audited annual consolidated financial statements as at and for the year ended December 31, 2017. Except as otherwise indicated or where the context so requires, references to "GrowMax" or the "Company" include GrowMax Resources Corp. and its subsidiaries. The Company prepares its financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All dollar figures stated herein are expressed in Canadian dollars (\$ or Cdn\$), unless otherwise specified.

This interim MD&A – Quarterly Highlights is based on information available up to November 21, 2018, the date on which it was approved by the Board of Directors.

GrowMax is a publicly listed Canadian company with its corporate head office located in Toronto, Ontario. The Company is focused on exploration, evaluation and development of phosphate and potassium-rich brine resources on its Bayovar property ("Bayovar Property"), which is located in the Sechura Desert in northwestern Peru. GrowMax is also concentrating its efforts on leveraging its existing balance sheet to consolidate junior fertilizer assets in Latin America, targeting projects with favourable margins and generating near term cash flow. The Company's vision is to become a prominent player in the Latin American fertilizer industry.

See section 4 for a listing of defined terms used in this document and for information on a Non-GAAP Financial Measure (working capital). See section 3 for further information on the calculation of working capital.

This interim MD&A contains forward-looking information. See section 4 for a discussion of the risks, uncertainties and assumptions relating to forward looking information.

## 2. Key Items and recent activities

### **Cash and Working Capital**

The following table summarizes the Company's cash and cash equivalents and working capital as at September 30, 2018 and December 31, 2017:

<u>(\$ in thousands)</u>	<u>September 30, 2018</u>	<u>December 31, 2017</u>
Cash and cash equivalents	<b>32,522</b>	39,157
Working capital <sup>(1)</sup>	<b>32,258</b>	39,560

Note:

(1) Working capital is calculated as current assets (September 30, 2018 - \$36.2 million; December 31, 2017 - \$43.3 million), less current liabilities (September 30, 2018 - \$3.9 million; December 31, 2017 - \$3.7 million).

See section 3 for information regarding the change in cash and cash equivalents and the change in working capital during the nine months ended September 30, 2018.

### **Peru/Latin America (update on strategic initiatives)**

The Company continues to pursue two concurrent strategic initiatives, which include:

- The completion of one or more transactions within the specialty fertilizer sector; and
- Seeking out alternatives relating to its Peruvian asset.

As discussed in prior press releases, the Company is focused on consolidating assets within the junior specialty fertilizer sector. As part of this repositioning, GrowMax has streamlined costs and reduced spending on its existing assets while seeking out merger or acquisition targets that are accretive, with the goals of adding near-term cash flow and long-term growth. The Company has commenced significant cost saving measures in Peru, including downsizing the Piura field office and staff in the Lima office.

## Corporate – Board of Directors

Effective June 30, 2018, Mr. Abdel Badwi retired as a Director and the non-executive Chairman of GrowMax. Mr. Ross C. McCutcheon was appointed Chairman of the Board, effective August 9, 2018.

### 3. Financial Highlights

Financial highlights for the third quarter of 2018 are shown below.

#### Key Figures

(\$ in thousands)	Three months ended September 30		Nine months ended September 30	
	2018	2017	2018	2017
General and administrative expenses (excluding stock-based compensation and depreciation)	<b>1,880</b>	930	<b>3,489</b>	2,940
Foreign exchange loss (gain)	<b>729</b>	1,674	<b>(1,339)</b>	3,335
Capital expenditures, net	<b>860</b>	709	<b>3,721</b>	4,177
Net cash used by operating activities	<b>2,685</b>	4,202	<b>3,951</b>	7,048

#### Subsequent events

##### **Fertimar Mineração e Navegação Ltda. acquisition**

GrowMax has entered into a Share Purchase Agreement (the “SPA” or “Agreement”) dated August 20, 2018 with the controlling shareholders of Fertimar Mineração e Navegação Ltda. (“Fertimar”). Fertimar operates under the name Primasea Nutrição Animal e Vegetal (“PrimaSea”), a privately-held Brazilian producer of animal feed and plant fertilizer products containing special Lithothamnion characteristics.

Under the terms of the SPA, GrowMax will acquire all of the issued and outstanding shares of the companies which wholly-owns Fertimar in exchange for common shares of GrowMax which will represent 50% of the issued and outstanding shares of GrowMax (213,925,645 GrowMax’s shares) (the “Acquisition”).

The Acquisition will be subject to approval by GrowMax’s shareholders at its Annual and Special Meeting of Shareholders (the “Meeting”) and require the approval of at least a majority of votes cast by the holders of GrowMax common shares. The Meeting was originally scheduled to be held on September the 25<sup>th</sup>, 2018. Subsequently the Meeting was postponed to October the 4<sup>th</sup> 2018 and has been further postponed to a date that will be determined following a hearing before the Crown of the Queen’s Bench of Alberta on December the 19<sup>th</sup>, 2018.

GrowMax determined that the proposed Acquisition will be a business combination in accordance with the definition in IFRS 3, Business Combinations. Due to certain voting restrictions placed on the controlling shareholders of Fertimar, this transaction will be accounted for as an acquisition by GrowMax, with GrowMax being the accounting acquirer on the acquisition date.

For additional details, please see the news release “GrowMax Resources Announces Transformative Transaction to Acquire Fertimar Mineração e Navegação Ltda. a high-value organic animal feed and plant nutrient producer in Brazil” filed on SEDAR and posted on the Company’s website on August 28, 2018.

##### **Contingencies**

Dissident shareholders filed an Originating Application on October the 1<sup>st</sup> 2018 in the Court of Queen’s Bench of Alberta. Subsequently two Cross Applications were filed by GrowMax.

As at September 30, 2018 no provision in relation to the claim has been recognized in the condensed interim consolidated financial statements as legal advice indicates that it is not probable that a significant liability will arise.

For additional details, please see the news release “Alberta Court Issues Order Postponing Annual and Special Shareholders Meeting” filed on SEDAR and posted on the Company’s website on October 4, 2018.

### Working capital

At September 30, 2018, the Company had a consolidated working capital position of \$32.3 million. The decrease in working capital from December 31, 2017 (\$39.6 million) can be attributed primarily to the following:

- \$3.7 million of capital expenditures;
- \$3.5 million of general and administrative expenses; and
- \$2.3 million of loss allowance and impairment recorded on the Energicon receivable; *partially offset by*
- \$1.3 million of foreign exchange gains on U.S. dollar denominated financial instruments as a result of the strengthening of the U.S. dollar relative to the Canadian dollar;
- \$0.5 million interest income; and
- \$0.4 million of other items.

Working capital is a Non-GAAP Financial Measure and is calculated as current assets (September 30, 2018 - \$36.2 million; December 31, 2017 - \$43.3 million), less current liabilities (September 30, 2018 - \$3.9 million; December 31, 2017 - \$3.7 million).

### Cash and cash equivalents

#### *Operating activities*

During the nine months ended September 30, 2018, the Company used \$4.0 million (\$7.0 million in 2017), for operating activities (which includes changes in non-cash balance sheet operating items). The majority of outflow during the nine months ended September 30, 2018 is attributable to cash general and administrative expenses and cash advanced (bridge facility) to Fertimar, partially offset by foreign exchange movements.

#### *Investing activities*

During the nine months ended September 30, 2018, the Company used \$3.7 million for investing activities, which is primarily attributable to continued capital spending on activities at the Company’s Bayovar Property.

During the nine months ended September 30, 2017, the Company generated \$2.9 million from investing activities – this inflow is attributable to (i) the net sale of available-for-sale financial assets (Argentina bonds); (ii) the collection of part of the proceeds from the Energicon S.A. (“Energicon”) sale, partially offset by (iii) continued spending on activities at the Bayovar Property.

#### *Financing activities*

During the nine months ended September 30, 2018, the Company had no cash flows related to financing activities.

During the nine months ended September 30, 2017, the Company spent \$0.3 million on purchases of its common shares pursuant to a Normal Course Issuer Bid.

### Other current assets

A breakdown of other current assets follows:

(\$ in thousands)	<b>September 30, 2018</b>	December 31, 2017
Receivable from the sale of Energicon <sup>(1)</sup>	<b>1,553</b>	3,764
Loan to Fertimar <sup>(2)</sup>	<b>1,800</b>	-
Other	<b>337</b>	403
	<b>3,690</b>	4,167

Notes:

- (1) The September 30, 2018 carrying value is net of a \$0.4 million (US\$0.3 million) loss allowance recorded on January 1, 2018 and an additional \$1.9 million (US\$1.5 million) loss allowance recorded in the third quarter ended September 30, 2018. During the third quarter ended September 30, 2018 the expected credit loss rate was increased to 60% as a result of the increased risk associated with the receivable. This increased risk is primarily due to the default of the first installment which was due September 30, 2018 (US\$1.0 million). The Company is in discussions to renegotiate an amended agreement including new repayment terms.

- (2) Loan to Fertimar with interest calculated using the Certificado de Depósito Interbancário ("CDI") rate in Brazil, currently set at 6.4% per annum. The 181 days bridge facility is secured by a personal guarantee from Eduardo Marinho Christoph. The loan is repayable in three equal monthly installments, 181 days after closing the Fertimar transaction or in one installment, 181 days after a notice from GrowMax to repay the loan is issued, in the event of not closing the Fertimar transaction as per the Share Purchase Agreement.

### Exploration and evaluation assets

A breakdown of additions to mining exploration and evaluation assets in Peru during the nine months ended September 30, 2018 and 2017 is as follows:

(\$ in thousands)	Nine months ended September 30	
	2018	2017
Employee salaries and benefits	1,254	886
Engineering, drilling and testing	397	515
Interest capitalized	564	580
Consultants	144	378
Concession fees	228	923
Corporate social responsibility	259	257
Building rent	131	152
Other	402	370
<b>Total capitalized mining costs</b>	<b>3,379</b>	<b>4,061</b>

### Restricted investments

The Company's restricted investments balance at September 30, 2018 (\$6.5 million) and December 31, 2017 (\$6.3 million) relates to a US\$5.0 million performance bond posted for commitments related to the Bayovar Property. The performance bond was initially required to be posted upon execution of the transfer agreement (the "Transfer Agreement") for the Bayovar Property in May 2014.

The initial amount of the performance bond is US\$5.0 million and is required to be renewed annually during the term of the investment commitment. Once the investment commitment has been satisfied, this performance bond would be substituted for another performance bond to secure the production-related payments and the other contractual obligations arising subsequent to the investment commitment.

The performance bond may be foreclosed, and the Transfer Agreement may be terminated, should the capital cost investment commitment and/or the minimum production requirements not be achieved.

### Other non-current assets

A breakdown of other current assets follows:

(\$ in thousands)	September 30, 2018	December 31, 2017
Value-added tax receivable – Americas Potash Peru S.A.	4,024	3,645
	<b>4,024</b>	<b>3,645</b>

### Payable to Peruvian Group

As at September 30, 2018, \$1.9 million of the payable to Peruvian Group is classified as current, as US\$1.5 million is expected to be paid in the twelve months period subsequent to September 30, 2018. As at September 30, 2018, \$4.0 million of the payable to Peruvian Group was classified as non-current, as US\$4.0 million is anticipated to be due more than twelve months subsequent to September 30, 2018.

### Deferred tax liability

As at September 30, 2018 and December 31, 2017, the Company had \$1.4 million and \$1.1 million, respectively, of deferred tax liability related to taxable temporary differences in Americas Potash Peru S.A. ("APPSA") that result from foreign exchange fluctuations. APPSA's assets and liabilities are measured, for accounting purposes, in U.S. dollars (APPSA's functional currency), with its taxable profit or loss (and the tax base of its assets and liabilities) determined in Peruvian Soles.

### Accumulated other comprehensive income (loss)

The change in accumulated other comprehensive income (loss) from December 31, 2017 to September 30, 2018 reflects: (i) exchange differences arising on intercompany items that are considered to be part of the Company's net investment in foreign operations; and (ii) foreign currency adjustments which result from translating and consolidating the financial statements of the Company's foreign operations into the Canadian dollar presentation currency.

### General and Administrative Expenses

There are two small non-cash components of general and administrative expenses. These are stock-based compensation costs, which arises from the vesting of stock options and depreciation that relates to property, plant and equipment. For further information regarding stock options, see note 9(b) of the Company's September 30, 2018 condensed interim consolidated financial statements.

A breakdown of other general and administrative expenses follows:

(\$ in thousands)	Three months ended September 30		Nine months ended September 30	
	2018	2017	2018	2017
Employee salaries and benefits	350	626	1,172	1,818
Professional and consulting fees	1,350 <sup>(1)</sup>	146	1,744	509
Travel	42	43	192	217
Rent	12	28	45	62
Insurance	11	11	31	35
Other expenses	115	76	305	299
	<b>1,880</b>	<b>930</b>	<b>3,489</b>	<b>2,940</b>

Note:

- (1) The Company incurred significant professional and consulting fees for the quarter ended September 30, 2018. These related to the potential acquisition of Fertimar and the requisition notice received from BullRun Capital Inc. and Kulwant Malhi.

### Other Income (Expense)

A breakdown of other income (expense) follows:

(\$ in thousands)	Three months ended September 30		Nine months ended September 30	
	2018	2017	2018	2017
Gain (loss) on sale of available-for-sale financial assets	-	-	(36)	(1,475)
Gain (loss) on fair value through profit or loss financial instruments	(432)	(252)	(893)	(1,219)
Foreign exchange gain (loss)	(729)	(1,674)	1,339	(3,335)
Interest income	169	157	499	274
Other	5	-	9	94
	<b>(987)</b>	<b>(1,769)</b>	<b>918</b>	<b>(5,661)</b>

#### *Loss on Sale of Available-for-Sale Financial Assets*

During the first quarter for 2017, the Company disposed of substantially all of its remaining investments in U.S. dollar denominated bonds issued by the government of Argentina. As a result of disposing of bonds for proceeds below cost and movements in foreign exchange rates, the Company recognized losses of \$1.5 million, as other income (expense) during the nine months ended September 30, 2017.

#### *Loss on Fair Value Through Profit or Loss Financial Instruments*

During the nine months ended September 30, 2018 and 2017, the Company recognized a loss related to deferred payments, of \$0.9 million and \$1.2 million, respectively as other income (expense). The losses recorded during the nine months ended September 30, 2018 and 2017 were primarily a result of the: (i) the decrease in the discount rate and (ii) the passage of time.

### Foreign Exchange Gain (Loss)

Foreign exchange gains (losses) recognized in other income (expense) on the consolidated statement of income (loss) reflects the impact of changes in exchange rates on foreign denominated financial instruments. For the nine months ended September 30, 2018 and 2017, the Company recognized \$1.3 million foreign exchange gains and \$3.3 million foreign exchange losses, respectively. The foreign exchange gains (losses) recognized in 2018 and 2017 arose primarily due to U.S. dollar financial instruments and the fluctuation of the U.S. dollar relative to the Canadian dollar.

The volatility of foreign exchange markets creates a significant amount of foreign exchange risk for the Company, given the various transactions in Peruvian Soles, Canadian dollars and U.S. dollars. This affects both the foreign exchange gains (losses) reported in other income (expense) on the consolidated statement of income (loss) as well as the other comprehensive income (loss) reported on the consolidated statement of comprehensive income (loss).

The following table summarizes historic spot exchange rates issued by the Bank of Canada:

Date	Exchange rate	
30-Sep-18	US\$1.00=Cdn\$1.2945	Soles\$1.00=Cdn\$0.3922
30-Jun-18	US\$1.00=Cdn\$1.3168	Soles\$1.00=Cdn\$0.4017
31-Mar-18	US\$1.00=Cdn\$1.2894	Soles\$1.00=Cdn\$0.3996
31-Dec-17	US\$1.00=Cdn\$1.2545	Soles\$1.00=Cdn\$0.3872
30-Sep-17	US\$1.00=Cdn\$1.2480	Soles\$1.00=Cdn\$0.3822
30-Jun-17	US\$1.00=Cdn\$1.2977	Soles\$1.00=Cdn\$0.3997
31-Mar-17	US\$1.00=Cdn\$1.3299	Soles\$1.00=Cdn\$0.4099
31-Dec-16	US\$1.00=Cdn\$1.3427	Soles\$1.00=Cdn\$0.4001

### Other Comprehensive Income (Loss)

During the nine months ended September 30, 2018 and 2017, the Company reported income of \$1.4 million and a loss of \$2.1 million, respectively, of other comprehensive income (loss).

The reported other comprehensive income reflects: (i) changes related to available-for-sale financial assets; (ii) exchange differences arising on intercompany items that are considered to be part of the Company's net investment in foreign operations; and (iii) foreign currency adjustments which result from translating and consolidating the financial statements of the Company's foreign operations into the Canadian dollar presentation currency.

The Company has disposed of significantly all of its remaining bonds and does not anticipate recognizing any further significant other comprehensive income (loss) on available-for-sale financial assets.

### Related Party Transactions

The Company incurred the following fees and expenses in connection with related parties (excluding compensation of key management personnel):

(\$ in thousands)	Three months ended September 30		Nine months ended September 30	
	2018	2017	2018	2017
Legal fees <sup>(1)</sup>	-	88	-	215
Stock-based compensation expense <sup>(2)</sup>	-	1	-	7
	-	89	-	222

Notes:

(1) The legal fees (which were expensed as other general and administrative expenses) were incurred from the former corporate secretary of GrowMax.

(2) The stock-based compensation expense resulted from the vesting of stock options held by the former corporate secretary of GrowMax.

### Liquidity

As at September 30, 2018, the Company had \$32.5 million of consolidated cash and cash equivalents and had a consolidated working capital position of \$30.7 million. See section 3 for information regarding the change in cash and cash equivalents and the change in working capital during the nine months ended September 30, 2018.

## Commitments

### *Bayovar Property*

During the second quarter of 2017, a two-year extension and modification to the Company's commitments pursuant to the Transfer Agreement was approved. Below are the outstanding commitments related to the project:

- Commence production by May 2019;
- Produce a minimum of 70% of the annual sales volume set forth in the applicable economic study; and
- Invest a minimum of US\$19.8 million in the project from May 2016 to May 2019, of which the Company had fulfilled approximately US\$7.9 million up to September 2018.

The Company is in discussions to amend the transfer agreement with the Peruvian governmental authorities. There is no assurance that any such amendment will be approved.

## Milestones

### *Potash Brine*

In March 2018, the Company submitted an updated internal project review to ProInversion relating to the brine resource in order to meet its requirements under the revised Transfer Agreement.

In order to commence commercial production of sulfate of potash ("SOP"), the Company is required to:

- complete detailed engineering designs and a development plan;
- progress social, environmental and permitting requirements;
- construct solar evaporation ponds and a processing plant for the production of SOP;
- conclude sales, marketing and transportation agreements; and
- finance the project.

The Company continues to evaluate its options with relation to the brine project. An investment decision has not yet been made and it is dependent to a large degree on the ongoing discussions with the relevant governmental authorities in Peru.

### *Phosphates*

In order to advance towards the commercial production of phosphates at the Bayovar Property, the Company will be required to complete further investigations and studies of domestic and regional sales of phosphate rock and to progress on social, environmental and permitting requirements. The Company intends to continue to pursue these objectives in 2018, however spending has been reduced until market conditions again warrant increased levels.

Depending on the outcome of market studies, the Company will consider progressing the concept of a large-scale mine, similar to the design concept outlined in the preliminary economic assessment, by completing a feasibility study. At the same time, the Company is working toward submission of permit applications and completion of engineering designs that could allow for construction and commencement of pilot production from a small-scale pilot mine.

## Accounting Policies

On January 1, 2018, the Company adopted IFRS 9 – Financial Instruments ("IFRS 9") which replaced IAS 39 – Financial Instruments: Recognition and Measurement. The standard is effective for annual periods beginning on or after January 1, 2018. The Company adopted the standard on January 1, 2018 using the modified retrospective approach.

Under IFRS 9, financial assets are classified into one of three categories: amortized cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit or loss ("FVPL"). Under IFRS 9, financial liabilities are classified into one of two categories: amortized cost or FVPL.

Under IFRS 9, expected credit losses associated with debt instruments carried at amortized cost and FVOCI are assessed on a forward-looking basis. This expected loss model replaced the incurred loss model under IAS 39 and effectively requires the recognition of either the 12-month or the lifetime expected credit losses. As a result of adopting IFRS 9, the Company recognized a loss allowance of \$0.4 million (US\$0.3 million) related to a receivable from the sale of Energicon. The loss allowance was recorded directly to deficit on January 1, 2018.

A further \$1.9 million (US\$1.5 million) loss allowance was recorded on September 30, 2018 and expensed in the consolidated statement of income (loss). The Company is in discussions to renegotiate an amended agreement including new repayment terms.

For further information, see notes 3(b) and 5 of the Company's September 30, 2018 condensed interim consolidated financial statements.

#### 4. Other Information and Advisories

##### Disclosure of Outstanding Share Data

As of November 21, 2018, the Company has the following securities outstanding:

<u>Description of Security</u>	<u>Number of Securities Outstanding</u>	<u>Additional Comments</u>
Common Shares	213,925,645	
Stock Options	4,505,000	Exercisable at prices ranging from \$0.11 to \$0.25 with expiries between December 2020 and December 2022.
Warrants	2,000,000	Exercisable at a price of \$0.25 provided the trading price of the Common Shares is \$0.75 or higher for not less than ten (10) consecutive trading days on the TSX Venture Exchange. Expire on November 23, 2018.

##### Business Risk Factors

For information on risk factors associated with GrowMax's business, see "Business Risk Factors" in the Company's annual MD&A for the year ended December 31, 2017.

##### Internal Controls and Disclosure Controls over Financial Reporting

Since the Company is a Venture Issuer, it is required to file basic venture certificates, which it has done for the quarter ended September 30, 2018. The Company makes no assessment relating to establishment and maintenance of internal control over financial reporting and disclosure controls and procedures as at September 30, 2018.

##### Additional Information

Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com).

##### Glossary of Terms

In this interim MD&A – Quarterly Highlights, the following terms have the meanings ascribed to them, unless the context otherwise requires:

<b>"APPSA"</b>	means Americas Potash Peru S.A., a body corporate under the laws of Peru and a wholly owned subsidiary of GrowMax Agri Corp.;
<b>"Agreement"</b>	means the Share purchase agreement dated August 20, 2018 between the Company and controlling shareholders of Fertimar Mineração e Navegação Ltda. ("Fertimar"), to acquire the issued and outstanding shares of Fertimar in exchange for common shares of the Company;
<b>"Bayovar Property"</b>	means Bayovar mineral concessions Ramon (Licence Bayovar #5 and #6) and Zapayal (Licence Bayovar #7 and #8) in the Sechura area, Piura province, Peru in which APPSA holds a 100% participating interest;
<b>"Board of Directors" or "Board"</b>	means the duly elected board of directors of the Company;

<b>“Common Shares”</b>	means the common shares in the share capital of the Company;
<b>“Company” or “GrowMax Resources”</b>	means GrowMax Resources Corp. (formerly Americas Petrogas Inc.), a corporation existing under the laws of Alberta and, unless the context otherwise requires, includes the wholly owned or controlled subsidiaries of the Company;
<b>“Energicon”</b>	means Energicon S.A., a body corporate under the laws of Argentina and a wholly owned subsidiary of GrowMax up to November 2016;
<b>“Fertimar Mineração e Navegação Ltda.”</b>	means a Brazilian producer of animal feed and plant fertilizer products containing special Lithothamnion characteristics (“Fertimar”), also operating under the name Primasea Nutrição Animal e Vegetal (“PrimaSea”);
<b>“Foundation”</b>	means the Communal Foundation of San Martin de Sechura;
<b>“FVOCI”</b>	means fair value through other comprehensive income;
<b>“FVPL”</b>	means fair value through profit or loss;
<b>“IASB”</b>	means the International Accounting Standards Board;
<b>“IFRS”</b>	means International Financial Reporting Standards as issued by the IASB;
<b>“IFRS 9”</b>	means IFRS 9 <i>Financial Instruments</i> ;
<b>“MD&amp;A”</b>	means management’s discussion & analysis;
<b>“Meeting”</b>	means Annual and Special Meeting of shareholders of GrowMax originally scheduled to be held on September 25 <sup>th</sup> , 2018 and subsequently postponed;
<b>“Peru”</b>	means the Republic of Peru;
<b>“Peruvian Group”</b>	means the Peruvian party that owned the remaining 30% (now 0%) participating interest in the Bayovar Property prior to January 25, 2016;
<b>“ProInversion”</b>	means the Agency for Promotion of Private Investment of the government of Peru;
<b>“SEDAR”</b>	means the System for Electronic Document Analysis and Retrieval of the Canadian Securities Administrators;
<b>“SOP”</b>	means Sulfate of Potash;
<b>“Transfer Agreement”</b>	means the transfer agreement executed by the Peruvian state-owned company Activos Mineros S.A.C. and the Executive Director of ProInversion, dated May 16, 2014, granting a 70% (now 100%) interest in the Bayovar Property to APPSA;
<b>“TSX-V”</b>	means the TSX Venture Exchange; and
<b>“VAT”</b>	means Value-added tax.

#### Forward Looking Information

This interim MD&A – Quarterly Highlights and certain documents incorporated by reference into this interim MD&A – Quarterly Highlights contain forward-looking information including, but not limited to, the Company’s goals, plans, strategy and objectives; the Company’s exploration and development activities; the consolidation of junior fertilizer assets; the ability to target projects with favourable margins and generating cash flow; becoming a leading producer of fertilizer products and a prominent player in the Latin American fertilizer industry achieving the Company’s commitments; moving forward on the Bayovar Project; achieving the Company’s commitments; moving forward on the Bayovar Project; the theoretical viability of producing SOP; the planned SOP pilot project; approval of the application for a semi-detailed Environmental Impact Assessment; construction of the SOP pilot project engineering designs and tendering of construction contracts for the phosphate pilot project; the executed agreement between the Company, the local community and the Foundation; the support of the local community and the Foundation towards the Company carrying out activities to progress projects without delay; the Company’s capital program and budget, including the anticipated costs thereof; budget general and administrative costs; further investigations and studies of domestic and regional sales of phosphate rock and timing thereof; progressing on the social, environmental and permitting requirements and timing thereof; completing market studies for domestic and regional sales of different potential fertilizers; construction of a fertilizer plant; design and cost optimization of the potash brine and phosphate projects; improved economics for the projects; the design of a small starter mine; improving the quality of the brine resources; producing geotechnical and flood inundation studies; the ability to deliver the projects on time; preservation of cash; improved set of projects’ economics; delivery of value moving forward; construction of evaporation ponds and timing

thereof; the receipt of the remaining receivable from the sale of Energicon; the completion of detailed engineering designs and a development plan for the SOP project; the construction of solar evaporation ponds and a processing plant for the production of SOP and timing thereof; the conclusion of sales, marketing and transportation agreements for the SOP project; construction of and production from pilot ponds/mines and timing thereof; completion of engineering designs for a small-scale pilot mine and production therefrom; progressing and optimizing the concept of a large-scale mine; completion of a feasibility study and timing thereof; submission of permit applications; major milestones required to commence commercial production of carnallite, kainite and/or potash at the Bayovar Property; major milestones required to advance towards the commercial production of phosphates at the Bayovar Property; plans for permitting, engineering and construction and timing thereof; plans for future production and sales and timing thereof; work related to the Company's potash project at Bayovar; the potential for phosphates, potash, and other minerals in respect of the land in the Sechura Desert; future drilling plans in Peru; the substitution of the performance bond posted for commitments in Peru once the investment commitment has been performed, expectations regarding the Company's ability to fund all of its commitments/contractual agreements and other discretionary future capital costs; the availability of project financing or a development partner; the availability of additional funding; the Company is in discussions to modify its commitments at the Bayovar Property, though there is no assurance that any such modification will be approved; approval to be received by GrowMax shareholders at its Annual and Special Meeting of Shareholders to be held on a specified date per Order of the Court of Queen's Bench of Alberta with respect to the Share Purchase Agreement dated August 20, 2018 with the controlling shareholders of Fertimar, also known by its trade name, Primasea; and the outcome of the Order of Court of Queen's Bench of Alberta.

Forward-looking information is not based on historical facts but rather is based on management's expectations regarding the Company's future growth, results of operations, production, future capital and other expenditures (including the amount, nature and sources of funding thereof), competitive advantages, plans for and results of drilling activity, environmental matters, business prospects and opportunities and expectations with respect to general economic and capital market conditions. Such forward-looking information reflects management's current beliefs and assumptions and is based on information currently available to GrowMax's management. Forward-looking information involves significant known and unknown risks and uncertainties. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking information, including but not limited to, risks associated with the natural resources industry (e.g. operational risks in development, exploration and production, delays or changes to plans with respect to exploration or development projects or capital expenditures; the uncertainty of resource and reserve estimates; the uncertainty of geological interpretations; the uncertainty of estimates and projections in relation to production costs and expenses and health, safety and environment risks), the risk of commodity price and foreign exchange rate fluctuations; climate risk; the uncertainty associated with negotiating and dealing with foreign governments and communities and third parties located in foreign jurisdictions; general market risks; title risks; expropriation risks; risks arising from dependence on key personnel; uninsurable risks; risks arising from the inability to obtain necessary equipment and services; risks arising from reliance on third party contractors and partners; third party credit risk; risks arising from managing the growth of the Company; inflation risks; dilution risks; risks associated with obtaining and retaining qualified personnel and the risks associated with international activity.

There can be no assurance that the Company will obtain licenses, concessions, extensions or other approvals when needed, or at all, and that further exploration of the Company's Peruvian property will lead to commercial discoveries or, if there are commercial discoveries, that the Company will be able to secure the necessary regulatory approvals to commercially exploit such resources as intended. Few mineral properties that are explored are ultimately developed into new mineral reserves or resources. Cash flow from operations is dependent on future production levels, commodity prices, foreign exchange rates, and government restrictions. Additional risks and uncertainties associated with the Company's future plans are described elsewhere in this interim MD&A – Quarterly Highlights. Although the forward-looking information contained herein is based upon assumptions which management believes to be reasonable, the Company cannot assure investors that actual results will be consistent with this forward-looking information.

**The forward-looking statements contained in this interim MD&A – Quarterly Highlights and in the documents incorporated by reference herein are expressly qualified by this cautionary statement.** This forward-looking information is made as of the date hereof and the Company assumes no obligation to update or revise this information to reflect new events or circumstances, except as required by law. Because of the risks, uncertainties and assumptions inherent in forward-looking information, prospective investors in the Company's securities should not place undue reliance on this forward-looking information.

#### Non-GAAP Financial Measure

The Company uses and reports a measurement in the evaluation of its liquidity and financial position that does not have any standardized meaning prescribed by IFRS, referred to as a "Non-GAAP Financial Measure." It is unlikely for Non-GAAP Financial Measures to be comparable to similar measures presented by other companies.

### *Working Capital*

The Company uses “working capital” to assess liquidity and general financial strength. Working capital is calculated as current assets less current liabilities. Working capital should not be considered an alternative to, or more meaningful than current assets or current liabilities as determined in accordance with IFRS. See section 3 for further information on the calculation of this measure.