



MAXIM POWER CORP.

NOTICE OF

SPECIAL MEETING OF SHAREHOLDERS

AND

**MANAGEMENT INFORMATION CIRCULAR
AND PROXY STATEMENT DATED SEPTEMBER 13, 2019**

TO BE HELD ON OCTOBER 15, 2019



September 13, 2019

Dear Shareholders:

You are invited to attend a special meeting (the "**Meeting**") of the shareholders ("**Shareholders**") of Maxim Power Corp. ("**MAXIM**" or the "**Corporation**") to be held in the Main Floor Conference Centre at 715 - 5 Avenue S.W., Calgary, Alberta on October 15, 2019 at 9:00 a.m. (Calgary time). At the Meeting, you will be asked to consider and vote upon a resolution (as set out in Schedule "A" to the accompanying management information circular and proxy statement (the "**Loan Resolution**")) approving MAXIM's borrowing of up to \$75 million under a one-year, 12%, revolving secured convertible loan (the "**Convertible Loan**") from Alpine Capital Corp. ("**Alpine**") and Prairie Merchant Corporation ("**Prairie Merchant**"), as lenders (Prairie Merchant together with Alpine, the "**Lenders**") as more particularly described in the accompanying management information circular and proxy statement (the "**Information Circular**").

Alpine is majority owned by Mr. M. Bruce Chernoff, a director, Chairman and Chief Executive Officer of the Corporation, who owns or controls (directly or indirectly) 13,826,050 common shares of the Corporation ("**Common Shares**") (representing approximately 26.4% of the outstanding Common Shares). Prairie Merchant is owned and controlled by Mr. W. Brett Wilson, a director and Vice Chairman of the Corporation, who owns or controls (directly or indirectly) 13,724,486 Common Shares (representing approximately 26.2% of the outstanding Common Shares). As such, the Convertible Loan constitutes a "related party transaction" for the purposes of Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**") under which approval of a simple majority of the Disinterested Shareholders, as defined in the Information Circular, is required. Similarly, the Convertible Loan requires the approval of a simple majority of the Disinterested Shareholders in accordance with Sections 604(a)(ii) and 607(g) of the TSX Company Manual.

A special committee of independent directors of MAXIM (the "**Special Committee**") has, with the assistance and guidance of its independent legal advisors, reviewed the financing transaction between the Corporation and the Lenders comprised of the Convertible Loan as well as MAXIM's borrowing from the Lenders of up to \$22 million under a one-year, 12%, revolving secured loan (as more particularly described in the Information Circular, the "**Construction Loan**"). The Construction Loan and Convertible Loan (collectively, the "**Loans**") have substantially the same terms and conditions, except that: (i) the Convertible Loan contemplates a larger principal amount available to MAXIM and is convertible by the Lenders into Common Shares in certain circumstances; and (ii) the Construction Loan will mature and become repayable out of the proceeds of the Convertible Loan at the time of the initial advance of funds under the Convertible Loan.

The Construction Loan is exempt from the minority shareholder approval requirements of MI 61-101 and, therefore, it is not contemplated by the Loan Resolution nor is the Corporation's ability to draw funds under the Construction Loan conditional upon the approval of the Disinterested Shareholders. If the Convertible Loan is approved by the passing of the Loan Resolution, the Construction Loan will mature and become repayable out of the proceeds of the Convertible Loan, such that the maximum principal amount of credit provided by the Lenders to MAXIM under the Loans (including accrued but unpaid interest thereon that has been capitalized) will not exceed \$75 million.

Macquarie Capital Markets Canada Ltd. has provided the Special Committee with its opinion that, as of the date of such opinion, the financial terms of the Transaction (as defined in the Information Circular, which contemplates the Lender's financing proposal and the Loans) are fair, from a financial point of view, to the Corporation (as set out in Schedule "B" to the Information Circular, the "**Fairness Opinion**"), subject to the assumptions, limitations and qualifications set out in such Fairness Opinion.

The Special Committee, after consulting with its legal advisors, and after considering other relevant matters, including the Fairness Opinion, has determined and recommended to the board of directors of the Corporation (the "**Board**") that the Construction Loan and the Convertible Loan are fair and reasonable in the circumstances and in the best interests of the Corporation and has resolved to recommend that the Disinterested Shareholders vote **FOR** the Loan Resolution. After considering the report and recommendations of, and the factors considered by, the Special Committee, the Board (with Mr. Chernoff and Mr. Wilson abstaining) adopted the Special Committee's recommendations, approved the Construction

Loan and the Convertible Loan and MAXIM entering into definitive credit agreements for the Loans, and has recommended that the Disinterested Shareholders vote **FOR** the Loan Resolution.

The Information Circular contains a detailed description of the Construction Loan, the Convertible Loan and all related matters. Please give this material your careful consideration. If you are unable to attend the Meeting in person, please complete and deliver the instrument of proxy, in the case of registered Shareholders, or the voting instruction form, in the case of Shareholders who hold their Common Shares indirectly through a broker or other intermediary, which are enclosed to ensure your representation at the Meeting.

Yours truly,

(signed) "Michael R. Mayder"

Michael R. Mayder
President and Chief Financial Officer



NOTICE OF THE SPECIAL MEETING OF SHAREHOLDERS TO BE HELD ON OCTOBER 15, 2019

TO: THE SHAREHOLDERS OF MAXIM POWER CORP.

NOTICE IS HEREBY GIVEN THAT a special meeting (the "**Meeting**") of the holders (the "**Shareholders**") of common shares (the "**Common Shares**") of Maxim Power Corp. ("**MAXIM**" or the "**Corporation**"), will be held in the Main Floor Conference Centre at 715 - 5 Avenue S.W., Calgary, Alberta on October 15, 2019 at 9:00 a.m. (Calgary time), for the following purposes:

1. to consider and, if deemed advisable, pass an ordinary resolution, the full text of which is set out in Schedule "A" in the accompanying management information circular and proxy statement (the "**Information Circular**") of the Disinterested Shareholders (as such term is defined in the Information Circular) approving MAXIM's borrowing of up to \$75 million under the Convertible Loan (as such term is defined in the Information Circular) and, as borrower, entering into a definitive credit agreement for the Convertible Loan with Alpine Capital Corp. and Prairie Merchant Corporation, as lenders, as more particularly described in the Information Circular; and
2. to transact such other business as may be properly brought before the Meeting or any adjournment or postponement thereof.

The specific details of the matters proposed to be put before the Shareholders at the Meeting are set forth in the Information Circular accompanying this Notice of Meeting.

Registered Shareholders (as such term is defined in the Information Circular) may vote in person at the Meeting or any adjournment or postponement thereof or they may appoint another person (who need not be a Shareholder) as their proxy to attend and vote in their place. Registered Shareholders unable to be present at the Meeting in person are requested to complete, date and sign the enclosed form of proxy and mail it to or deposit it with MAXIM'S transfer agent, Computershare Trust Company of Canada ("Computershare"): (i) by mail using the enclosed return envelope or one addressed to Computershare Trust Company of Canada, Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1; (ii) by hand delivery to Computershare Trust Company of Canada, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1; or (iii) by facsimile to 1-866-249-7775 (inside North America) or (416) 263-9524 (outside North America). Alternatively, Registered Shareholders may vote by telephone at 1-866-732-8683 (inside North America) or (312) 588-4290 (outside North America). If you wish to vote using the Internet as a Registered Shareholder, please go to www.investorvote.com and follow the instructions. You will require your control number found on your proxy form. In order to be valid and acted upon at the Meeting, forms of proxy must be received by Computershare not less than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the Province of Alberta) before the time of the Meeting or any adjournment or postponement thereof. The time limit for the deposit of proxies may be waived or extended by the Chair of the Meeting at his or her discretion without notice.

Non-registered Shareholders who hold shares through a broker, financial institution, trustee, nominee or other intermediary or otherwise should carefully follow the instructions found on their voting instructions form.

The record date for the determination of Shareholders entitled to receive notice of and to vote at the Meeting, or any adjournment or postponement thereof, is September 13, 2019 (the "**Record Date**"). However, if a Shareholder has transferred any Common Shares after the Record Date and the new holder of such Common Shares establishes proper ownership and demands, not later than ten (10) days before the Meeting, to be included in the list of Shareholders eligible to vote at the Meeting, then such new Shareholder will be entitled to attend and vote at the Meeting.

DATED at Calgary, Alberta this 13th day of September, 2019.

**BY ORDER OF THE BOARD OF DIRECTORS OF MAXIM
POWER CORP.**

(signed) "Michael R. Mayder "

Michael R. Mayder
President and Chief Financial Officer



**MAXIM POWER CORP.
MANAGEMENT INFORMATION CIRCULAR AND PROXY STATEMENT
FOR A SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD ON OCTOBER 15, 2019**

General

Words importing the singular number, where the context requires, include the plural and vice versa and words importing any gender include all genders. In this Information Circular, unless otherwise noted, all dollar amounts are expressed in Canadian dollars. Information contained in this Information Circular is given as of September 13, 2019, unless otherwise stated.

FORWARD LOOKING STATEMENTS

This Information Circular contains certain forward-looking statements and forward-looking information (collectively referred to as "forward-looking statements") within the meaning of applicable securities laws. All statements other than statements of historical fact are forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "anticipate", "could", "estimate", "expect", "forecast", "intend", "may", "plan", "should", "target", "will", "potential" or similar words suggesting future outcomes or language suggesting an outlook. In particular, this Information Circular contains forward-looking statements, among others, pertaining to the following:

- the expected benefits, risks and consequences of the matters and transactions described herein, including, but not limited to, the expected benefits, risks and consequences considered by the Special Committee (as such terms are defined herein);
- the impact of the Construction Loan and Convertible Loan on MAXIM (as such terms are defined herein);
- the expected amount and use of proceeds from the Construction Loan and Convertible Loan;
- expectations regarding the operation and decommissioning of HR Milner (as such term is defined herein);
- the Corporation's expectations on timing and amounts of the AESO Recovery (as such term is defined herein);
- expectations on the costs, timing, construction and development and electrical generation capabilities of M2 (as such term is defined herein);
- the estimated remaining funding requirements to complete M2; and
- the availability, if any, and terms and conditions of the Bank Loan (as such term is defined herein).

Undue reliance should not be placed on forward-looking statements, which are inherently uncertain, are based on estimates and assumptions, and are subject to known and unknown risks and uncertainties (both general and specific) that contribute to the possibility that the future events or circumstances contemplated by the forward-looking statements will not occur. There can be no assurance that the plans, intentions or expectations upon which forward-looking statements are based will in fact be realized. Actual results will differ, and the difference may be material and adverse to MAXIM and the Shareholders (as such term is defined herein). Forward-looking statements are provided for the purpose of providing information about MAXIM's current expectations and plans relating to the future. Reliance on such information may not be appropriate for other purposes, such as making investment decisions.

Forward-looking statements are based on MAXIM's current understanding as well as assumptions made by, and information currently available to MAXIM concerning, among other things:

- matters relating in particular to the Transaction (as such term is defined herein) and the matters to be considered at the Meeting (as such term is defined herein);
- the timely receipt of required approvals and the satisfaction of other conditions, any regulatory and tax developments;
- the Corporation's estimate on costs, timing and other assumptions with respect to M2 and its future business operations and other matters (including the AESO Recovery) are incorrect;
- that there will be no significant events occurring outside of the normal course of business of MAXIM; and
- compliance with all necessary provincial and federal regulations for environmental and climate change legislation. Changes to environmental legislation and operational issues may affect the ability of MAXIM to comply with regulations.

Although the management of MAXIM considers these assumptions to be reasonable based on the information currently available, they may prove to be incorrect.

The forward-looking statements contained in this Information Circular are made as of the date hereof, and MAXIM undertakes no obligation, except as required by applicable securities legislation, to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise. The forward-looking statements contained in this Information Circular are expressly qualified by this cautionary statement.

GLOSSARY OF TERMS

The following is a glossary of certain terms used in this Information Circular.

"**AESO**" means the Alberta Electric System Operator;

"**AESO Recovery**" has the meaning ascribed thereto under the heading "*Matters to be Acted Upon at the Meeting – Background to the Convertible Loan*";

"**Alpine**" means Alpine Capital Corp., a company majority owned by M. Bruce Chernoff;

"**Bank Lender**" has the meaning ascribed thereto under the heading "*Matters to be Acted Upon at the Meeting – Background to the Convertible Loan*";

"**Bank Loan**" has the meaning ascribed thereto under the heading "*Matters to be Acted Upon at the Meeting – Background to the Convertible Loan*";

"**Beneficial Shareholder**" has the meaning ascribed thereto under the heading "*Proxy Instructions*";

"**BLG**" means Borden Ladner Gervais LLP;

"**Board**" means the board of directors of the Corporation;

"**Broadridge**" has the meaning ascribed thereto under the heading "*Proxy Instructions – Voting Instructions – Beneficial Shareholders*";

"**Common Shares**" means the common shares in the capital of the Corporation;

"**Construction Loan**" has the meaning ascribed thereto under the heading "*Matters to be Acted Upon at the Meeting – Background to the Convertible Loan*";

"**Contractor**" has the meaning ascribed thereto under the heading "*Matters to be Acted Upon at the Meeting – Background to the Convertible Loan*";

"**Convertible Loan**" has the meaning ascribed thereto under the heading "*Matters to be Acted Upon at the Meeting – Background to the Convertible Loan*";

"**Convertible Loan Credit Agreement**" has the meaning ascribed thereto under the heading "*Matters to be Acted Upon at the Meeting – Approval of the Loan Resolution*";

"**Credit Facility Documents**" means the Convertible Loan Credit Agreement, the definitive credit agreement for the Construction Loan, the security documents and any other agreement or document entered into by the Loan Parties to implement the Loans;

"**Computershare**" has the meaning ascribed thereto under the heading "*Proxy Instructions*";

"Disinterested Shareholders" means the Shareholders, other than the Excluded Parties;

"EPC" has the meaning ascribed thereto under the heading "*Matters to be Acted Upon at the Meeting – Background to the Convertible Loan*";

"EPC Contract" has the meaning ascribed thereto under the heading "*Matters to be Acted Upon at the Meeting – Background to the Convertible Loan*";

"Excluded Parties" has the meaning ascribed thereto under the heading "*Matters to be Acted Upon at the Meeting – Disinterested Shareholder Approval*" and includes, without limitation, Alpine, Prairie Merchant, Mr. Chernoff, Mr. Wilson and their respective affiliates and associates;

"Fairness Opinion" means the fairness opinion dated September 9, 2019 provided by Macquarie Capital, a written copy of which is included as Schedule "B" hereto;

"Financing Proposal" has the meaning ascribed thereto under the heading "*Matters to be Acted Upon at the Meeting – Background to the Convertible Loan*";

"HR Milner" means the 150 MW (nameplate capacity) coal-fired generating facility located near the town of Grande Cache, Alberta;

"Information Circular" means this management information circular and proxy statement dated September 13, 2019, together with all schedules hereto, delivered to Shareholders in connection with the Meeting;

"Lenders" means, collectively, Alpine and Prairie Merchant, the lenders under the Loans;

"Loan Parties" has the meaning ascribed thereto under the heading "*Matters to be Acted Upon at the Meeting – Background to the Convertible Loan*" and **"Loan Party"** means any of them;

"Loan Resolution" means the ordinary resolution of Disinterested Shareholders set out in Schedule "A" hereto as discussed in greater detail under the heading "*Matters to be Acted Upon at the Meeting – Disinterested Shareholder Approval*";

"Loans" means, collectively, the Construction Loan and the Convertible Loan;

"M2" means the HR Milner expansion initiative to continue development of a natural gas-fired power plant located near Grande Cache, Alberta, with an anticipated nameplate capacity of 204 MW in simple cycle mode;

"Macquarie Capital" means Macquarie Capital Markets Canada Ltd.;

"Material Project Contracts" has the meaning ascribed thereto in the Convertible Loan Credit Agreement;

"MAXIM" or reference to the **"Corporation"** means MAXIM Power Corp.;

"Meeting" means the special meeting of Shareholders to be held on October 15, 2019 and any postponement(s) or adjournment(s) thereof to consider and to vote on the Loan Resolution and related matters, as further described in this Information Circular;

"MI 61-101" means Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions*;

"Prairie Merchant" means Prairie Merchant Corporation, a company owned and controlled by W. Brett Wilson;

"Record Date" has the meaning ascribed thereto under the heading "*Voting Securities and Principal Holders of Voting Securities – General*";

"SEDAR" means the System for Electronic Document Analysis and Retrieval;

"Senior Financing" has the meaning ascribed thereto under the heading "*Matters to be Acted Upon at the Meeting – Background to the Convertible Loan*";

"Shareholders" means the holders of Common Shares;

"Special Committee" has the meaning ascribed thereto under the heading "*Matters to be Acted Upon at the Meeting – Deliberations of the Special Committee*";

"Registered Shareholder" has the meaning ascribed thereto under the heading "*Proxy Instructions – Voting Instructions – Registered Shareholders*";

"Representatives" has the meaning ascribed thereto under the heading "*Matters to be Acted Upon at the Meeting – Deliberations of the Special Committee*";

"Transaction" has the meaning ascribed thereto under the heading "*Matters to be Acted Upon at the Meeting – Fairness Opinion*"; and

"TSX" means the Toronto Stock Exchange.

SOLICITATION OF PROXIES

This Information Circular is furnished in connection with the solicitation of proxies by the management of MAXIM for use at the Meeting, to be held on October 15, 2019 at 9:00 a.m. (Calgary time), or any postponement or adjournment thereof, in the Main Floor Conference Centre at 715 - 5 Avenue S.W., Calgary, Alberta for the purposes set out in the accompanying Notice of Meeting.

REVOCABILITY OF PROXIES

Proxies are revocable. A Shareholder submitting an Instrument of Proxy may revoke the Instrument of Proxy, by instrument in writing, executed by the Shareholder or by his or her attorney duly authorized in writing or, if the Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized, and deposited either at the registered office of the Corporation at any time up to and including the last business day preceding the day of the Meeting, or any adjournment or postponement thereof, at which the Instrument of Proxy is to be used, or with the Chairman of the Meeting on the day of the Meeting, or any adjournment or postponement thereof.

An Instrument of Proxy will not be valid for the Meeting or any adjournment or postponement thereof unless it is completed and signed by the Shareholder, or by his attorney duly authorized in writing, and delivered to the Registrar and Transfer Agent of the Corporation, Computershare Trust Company of Canada, 9th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1, in acceptable form at least forty-eight (48) hours, excluding Saturdays, Sundays and statutory holidays in the Province of Alberta, prior to the Meeting, or any postponement or adjournment thereof. The time limit for the deposit of proxies may be waived or extended by the Chairman of the Meeting at his or her discretion without notice.

PERSONS MAKING THE SOLICITATION

This Information Circular is furnished in connection with the solicitation of proxies by and on behalf of the management of the Corporation.

The costs incurred in soliciting proxies will be borne by the Corporation and the solicitation will be made primarily by mail. Directors and officers of the Corporation may, without special compensation, solicit proxies by telephone, email, facsimile or in person.

The Corporation will be delivering proxy-related materials through intermediaries to both non-objecting Beneficial Shareholders and objecting Beneficial Shareholders, and the Corporation intends to pay intermediaries for the delivery of such material.

EXERCISE OF DISCRETION BY PROXY HOLDERS

The persons named in the accompanying Instrument of Proxy will vote the Common Shares in respect of which they are appointed, in accordance with the direction of the Shareholder appointing them, as set forth in the Instrument of Proxy.

In the absence of such direction, such Common Shares will be voted, **FOR** the Loan Resolution.

The enclosed Instrument of Proxy confers discretionary authority upon the persons specified in the Instrument of Proxy with respect to amendments or variations to matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting. As at the time of printing of this Information Circular, management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting other than the matters referred to in the Notice of Meeting and this Information Circular. If any matters which are not now known to the directors or officers of the Corporation should properly come before the Meeting, the persons named in the accompanying Instrument of Proxy will vote on such matters in accordance with their best judgment.

PROXY INSTRUCTIONS

Shareholders have the right to appoint a nominee (who need not be a Shareholder), other than the persons specified in the enclosed Instrument of Proxy (being Mike Mayder, President and Chief Financial Officer of the Corporation, or Kim Karran, Corporate Secretary and Senior HR Advisor of the Corporation), to represent them at the Meeting, and may do so by inserting the name of the appointed representative in the blank space provided in the Instrument of Proxy.

Registered Shareholders may vote in person at the Meeting or any adjournment or postponement thereof or they may appoint another person (who need not be a Shareholder) as their proxy to attend and vote in their place. Registered Shareholders unable to be present at the Meeting in person are requested to date and sign the enclosed form of proxy and mail it to or deposit it with our transfer agent, Computershare Trust Company of Canada ("Computershare"): (i) by mail using the enclosed return envelope or one addressed to Computershare Trust Company of Canada, Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1; (ii) by hand delivery to Computershare Trust Company of Canada, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1; or (iii) by facsimile to 1-866-249-7775 (inside North America) or (416) 263-9524 (outside North America). Alternatively, Registered Shareholders may vote by telephone at 1-866-732-8683 (inside North America) or (312) 588-4290 (outside North America). If you wish to vote using the Internet as a Registered Shareholder, please go to www.investorvote.com and follow the instructions. You will require your control number found on your proxy form. In order to be valid and acted upon at the Meeting, forms of proxy must be received by Computershare not less than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the Province of Alberta) before the time of the Meeting or any adjournment or postponement thereof. The time limit for the deposit of proxies may be waived or extended by the Chairman of the Meeting at his or her discretion without notice.

Non-registered Shareholders who hold shares through a broker, financial institution, trustee, nominee or other intermediary or otherwise not in their own name ("**Beneficial Shareholders**") should carefully follow the instructions found on their voting instructions form.

At the discretion of the Chairman of the Meeting, proxies may be deposited with the Chairman of the Meeting prior to the commencement of the Meeting or any adjournment(s) or postponement(s) thereof. The giving of a proxy will not affect the right of a Shareholder to attend in person at the Meeting, or any adjournment or postponement thereof and, provided that the proxy is revoked, to vote.

Voting Instructions – Registered Shareholders

You are a registered Shareholder ("**Registered Shareholder**") if your name appears on your share certificate.

Registered Shareholders who are eligible to vote can vote their Common Shares in person at the Meeting. Registered Shareholders, who are eligible to vote but who are unable to attend the Meeting in person, are able to vote their Common Shares by proxy as described above under "*Proxy Instructions*", and Registered Shareholders are also entitled to vote their Common Shares either by telephone or on the Internet. In both cases, the Control Number which is located on the Instrument of Proxy will be required. **Please note that if you register your votes by telephone, you cannot appoint anyone other than the individuals named on the Instrument of Proxy as your proxy holder.**

Voting Instructions – Beneficial Shareholders

The information set forth in this section is of significant importance to many Shareholders, as a substantial number of the Shareholders do not hold Common Shares in their own name. Such Beneficial Shareholders should note that only proxies deposited by Registered Shareholders can be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a Beneficial Shareholder by a broker, financial institution, trustee, nominee or other intermediary, then in almost all cases, these Common Shares will not be registered in the Beneficial Shareholder's name on the records of the Corporation. Such Common Shares will more likely be registered under the name of the broker or an agent of a broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian banks, trust companies and brokerage firms). Common Shares held by brokers or their nominees can only be voted (for, against or withheld from voting for resolutions) upon the instructions of the Beneficial Shareholders. Without specific instructions, brokers/nominees are prohibited from voting Common Shares for their clients.

Applicable regulatory rules require intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions Inc. ("**Broadridge**"). Broadridge typically mails its own form of proxy to the Beneficial Shareholders with the

request that the form be completed and returned to its attention. Beneficial Shareholders also have the option in certain cases of forwarding their voting instructions by telephone or using the Internet. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares at the Meeting.

A Beneficial Shareholder receiving a Broadridge form of proxy cannot use that form to vote directly at the Meeting. This form must be returned to Broadridge by mail, hand delivery, fax, internet or telephone, as directed, well in advance of the Meeting in order to have Common Shares voted. If the Beneficial Shareholder wishes to attend and vote at the Meeting in person, that Beneficial Shareholder **must insert his or her own name as appointee** in the space provided. In this way, the Beneficial Shareholder appoints him or herself as proxy and may therefore attend and act at the Meeting.

Voting by Internet

Registered Shareholders may also cast their votes by telephone (1-866-732-8683 within North America, 312-588-4290 from outside North America) or internet (www.investorvote.com) by following the instructions provided on the enclosed Instrument of Proxy. If you choose to vote by telephone or internet, your vote must also be cast no later than forty-eight (48) hours, excluding Saturdays, Sundays and statutory holidays in the Province of Alberta, prior to the time of the Meeting.

If there is a postal strike in Canada, Shareholders should provide their proxy or voting instructions via telephone, internet or fax, as applicable, instead of through the mail in order to ensure that their proxy or voting instructions will be received on time.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

General

The Corporation is authorized to issue an unlimited number of Common Shares without nominal or par value. As at September 13, 2019 (the "**Record Date**"), the Corporation had 52,387,905 Common Shares issued and outstanding.

The Board has fixed the Record Date for the Meeting at the close of business on September 13, 2019. Only Shareholders of record on the Record Date are entitled to receive notice of and to vote at the Meeting except to the extent that a person has transferred any Common Shares after that date and the new holder of such shares establishes proper ownership and demands not later than ten (10) days before the Meeting to be included in the list of Shareholders eligible to vote at the Meeting.

Each Shareholder is entitled to one (1) vote in person or by proxy for each Common Share held on all matters to come before the Meeting.

Principal Holders of Common Shares

To the best of the knowledge of the directors and officers of the Corporation, there are no persons who beneficially own or control or direct, directly or indirectly, securities carrying ten percent (10%) or more of the voting rights attached to all issued and outstanding Common Shares as of the date of this Information Circular, except as set out below, which is based on publicly available information:

Name of Shareholder and Municipality of Residence	Securities Owned, Controlled or Directed	Percentage of the Class of Outstanding Voting Securities of the Corporation ⁽¹⁾
M. Bruce Chernoff ⁽²⁾ Calgary, Alberta, Canada	13,826,050	26.4%
W. Brett Wilson ⁽³⁾ Calgary, Alberta, Canada	13,724,486	26.2%

Notes:

(1) Based on 52,387,905 issued and outstanding Common Shares as at September 13, 2019.

(2) Includes Common Shares held by entities that are owned or controlled by Mr. Chernoff.

(3) Includes Common Shares held by entities that are owned or controlled by Mr. Wilson.

Quorum for the Meeting

At the Meeting, a quorum shall consist of persons present not being less than two (2) in number and holding or representing not less than five (5%) per cent of the Common Shares entitled to be voted at the Meeting.

MATTERS TO BE ACTED UPON AT THE MEETING

Approval of the Loan Resolution

At the Meeting, Disinterested Shareholders will be asked to consider and, if deemed advisable, approve, with or without variation, an ordinary resolution as set forth in Schedule "A" hereto approving the Corporation's borrowing of up to \$75 million under the Convertible Loan (as described below) from Alpine and Prairie Merchant, as lenders and authorizing and ratifying the Corporation's entering into a definitive credit agreement for the Convertible Loan (the "**Convertible Loan Credit Agreement**"), as borrower, with the Lenders, all as more particularly described in this Information Circular (the "**Loan Resolution**"), and to consider such other matters as may properly come before the Meeting.

Alpine is majority owned by M. Bruce Chernoff, a director, Chairman, Chief Executive Officer and controlling shareholder of the Corporation. Prairie Merchant is owned and controlled by W. Brett Wilson, a director, Vice Chairman and controlling shareholder of the Corporation. Accordingly, each of the Lenders is a "related party" (as such term is defined in MI 61-101) of the Corporation, and the Convertible Loan constitutes a "related party transaction" for the purposes of MI 61-101, requiring approval of a majority of the Disinterested Shareholders. Similarly, the Convertible Loan requires the approval of a majority of the Disinterested Shareholders in accordance with Sections 604(a)(ii) and 607(g) of the TSX Company Manual. See "*Matters to be Acted Upon at the Meeting - MI 61-101*" and "*Matters to be Acted Upon at the Meeting - TSX Rules*".

Background to the Convertible Loan

Since the sale of the Corporation's business and operations in France in 2016 and in the United States in 2017, MAXIM has exclusively focused on opportunities in the power industry in Canada. In particular, MAXIM has concentrated on its proposed expansion initiative to develop M2 at the site of the HR Milner plant, as well as certain other natural gas and wind powered electricity generation opportunities it has in various stages of development.

MAXIM is developing M2 to replace the existing HR Milner generating station. The Corporation had previously determined the development of additional electricity generation capacity at HR Milner through the M2 project was the best risk-adjusted return for Shareholders after assessing other alternatives. Federal regulations limit the operations of the existing generating station to 9% of its generating capacity after December 31, 2019. The continued operation of HR Milner, currently the Corporation's sole revenue generating asset, is expected to become uneconomic under current Alberta power price conditions. MAXIM believes, as previously announced, that, after considering various alternatives, the best risk-adjusted return for Shareholders is the development of additional electricity generation capacity at HR Milner through the development of M2. Over the past 12 months, MAXIM's work on developing M2 has included engineering and permitting of M2, preliminary construction and significant equipment purchases.

In May 2019, concurrent with the announcement of its financial results for the first quarter of 2019, the Corporation announced that, after a detailed engineering review and design changes, its cost estimate for

M2 had increased from \$88 million to \$138 million and that the Corporation was confident that it had access to adequate financing to complete the simple cycle stage of the M2 project development.

MAXIM, through its wholly-owned subsidiary, Milner Power Inc., has an outstanding complaint relating to the AESO Line Loss Rule for the period of January 1, 2006 to December 31, 2016. MAXIM, as previously announced, had anticipated that cash proceeds of approximately \$40.1 million (before including interest at the Alberta Utility Commissions approved rate of the Bank of Canada bank rate plus 1.5%, (the "**AESO Recovery**")) would be received by mid-2019 based on the previous timeline indicated by the AESO. However, as announced by MAXIM in August 2019, MAXIM no longer anticipates receiving cash proceeds from the AESO Recovery prior to the middle of 2021, based on the AESO's revised current published timeline. As such, the Corporation has been working to arrange financing for a portion of M2 in the absence of an immediate or proximate receipt of funds under the AESO Recovery. MAXIM anticipates that M2 will cost approximately \$144 million, excluding financing costs.

MAXIM further anticipates that it will require not less than \$57 million in additional funding to complete and commission M2 as a fully operational and electricity producing facility (net of any cash resources, funds generated from current operations and other general expenses of the Corporation), before providing for additional funds that may be necessary, or advisable, to account for design changes, change orders under the EPC Contract and any cost overruns or other contingencies related to the construction of M2 as well as for other corporate purposes.

On August 27, 2019, Milner Power II Limited Partnership, a wholly owned subsidiary of MAXIM, entered into an engineering, procurement and construction ("**EPC**") contract (the "**EPC Contract**") for the completion and commissioning of M2 with BPC Milner (the "**Contractor**"), a joint venture between affiliates of PCL Construction Group Inc. and Black & Veatch Corporation, the engineering and construction firms with which MAXIM had already been working on the M2 project, as EPC contractors.

Through the EPC Contract, the Contractor will complete and deliver M2, as a fixed price, turn-key project with a targeted substantial completion in April 2020. MAXIM expects that the EPC Contract will help de-risk the development of M2, including without limitation risks related to cost and timing of completion thereof. The EPC Contract value is approximately \$83 million (subject to adjustment as a result of any change orders) and includes approximately \$39 million of work already performed by members of the Contractor's joint venture under various time-and-material agreements, which have been superseded by the EPC Contract.

The EPC Contract requires that MAXIM secure binding financing arrangements to provide sufficient funds for the construction of M2 within 60 days of entering into the EPC Contract. In the event such notice is not provided within such period, the Contractor retains the right to suspend work on M2 or terminate the EPC Contract. The EPC Contract contains provisions for the payment of liquidated damages by the Contractor to MAXIM, subject to certain exceptions, as well as warranties by the Contractor on the work performed by the Contractor under the EPC Contract (and prior thereto) for an initial term of 18 to 24 months. The EPC Contract also contains other terms and conditions that are customary for agreements of this nature, including for change orders, indemnities, a parental guarantee from MAXIM, letters of credit and insurance requirements. A copy of the EPC Contract is available for review under MAXIM's SEDAR profile at www.sedar.com.

Based on, among other things, the requirements of the EPC Contract and anticipated construction windows related to seasonal weather patterns, MAXIM's current timetable for the construction and development of M2 is set forth below:

Milestones	Completion Date
Procurement	July 2019
Engineering	October 2019
Construction Completion	February 2020
Commissioning	February 2020 to April 2020
Target Substantial Completion of M2 Plant (204 MW)	April 2020

While negotiating the EPC Contract, MAXIM solicited several arm's length financing sources to provide MAXIM with expressions of interest regarding the financing necessary for MAXIM to meet its expected obligations to complete and commission M2. These sources included:

- traditional banks;
- non-traditional banks;
- speciality project lenders;
- private debt investors; and
- equipment lenders.

The Corporation provided these prospective financing sources detailed presentations about its plan to construct and commission M2 and the financing requirements to complete and commission M2. Most of these potential lenders chose not to engage with MAXIM because of the exposure of M2 to merchant power, providing no certainty to future power prices and revenues, and because MAXIM currently has no significant revenue generating assets. However, MAXIM received two proposals in this process and advanced discussions with a bank lender (the "**Bank Lender**") regarding the formation of a lending syndicate, with the other party that had expressed an interest in potentially funding M2, for a total \$45 million senior secured credit facility. Syndication proved impractical and the proposed credit facility from the Bank Lender was eventually reduced to contemplate a \$34 million senior secured credit facility, which is anticipated to be comprised of a \$20 million construction facility and two revolving credit facilities totaling \$14 million as well as cash-collateralized letters of credit for up to \$8 million (the "**Bank Loan**"). The Bank Lender made its financing proposal subject to the ongoing due diligence of the Bank Lender on MAXIM, its various internal approval processes, and evidence that MAXIM had satisfactory financing arrangements for all of MAXIM's requirements with respect to M2 (after giving effect to the proposed Bank Loan). As of the date of this Information Circular, MAXIM and the Bank Lender continue to negotiate a definitive loan agreement with respect to the Bank Loan, however, no definitive loan agreement for the Bank Loan has been entered into as at such date and there is no certainty that any such agreement will be entered into.

In response to the Corporation's financing source process and with full awareness of the limited nature of the arm's length financing proposals received by the Corporation, Mr. Chernoff and Mr. Wilson notified the Corporation that they would consider lending the Corporation sufficient capital to satisfy its requirements for M2, either as the sole financing source or together with a co-lender. On July 2, 2019, Mr. Chernoff and Mr. Wilson provided the Corporation with a proposal that, after revisions resulting from ongoing discussions between the Corporation and such persons, outlined two separate loans in the maximum aggregate principal amount of \$75 million (the "**Financing Proposal**"), which was ultimately documented in a non-binding term sheet dated September 3, 2019. On September 10, 2019, the Corporation, as borrower, and the Lenders, as lenders, as well as Milner Power Limited Partnership, Milner Power II Limited Partnership, Milner Power Inc. and Milner Power II Inc. (together with MAXIM, the "**Loan Parties**"), entered into the first loan facility, a secured, revolving loan that provides for the Corporation's borrowing of up to \$22 million to fund amounts initially required by the Contractors under the EPC Contract (the "**Construction Loan**"). As of the date of this Information Circular, the Corporation has not drawn any amounts under the Construction Loan. Concurrent with the entering into of the Construction Loan, the Corporation, as borrower, and the Lenders, as lenders, as well as the other Loan Parties, entered into the Convertible Loan Credit Agreement for a convertible, secured, revolving facility providing for the Corporation's borrowing of up to \$75 million, funding under which would be used to repay indebtedness under the Construction Loan as well as to fund further amounts required with respect to M2 and other general and administrative expenses (the "**Convertible Loan**").

The Convertible Loan is subject to certain conditions, including the approval of the Loan Resolution by the Disinterested Shareholders as required by the TSX and MI 61-101. The Construction Loan is exempt from the minority shareholder approval requirements of MI 61-101 and, therefore, it is not contemplated by the Loan Resolution nor is the Corporation's ability to draw funds under the Construction Loan conditional upon the approval of the Loan Resolution. If the Convertible Loan is approved by the passing of the Loan Resolution, upon the first advance of funds under the Construction Loan, the Construction Loan will mature and become repayable out of the proceeds of the Convertible Loan, such that the maximum principal amount of credit provided by the Lenders to MAXIM under the Loans (including accrued but unpaid interest thereon that has been capitalized) will not exceed \$75 million.

The Construction Loan and Convertible Loan are described in further detail below under "Summary of the Loans".

Summary of the Loans

As described above, MAXIM has entered into separate credit agreements for each of the Construction Loan and the Convertible Loan with the Lenders, as of September 10, 2019. The Construction Loan and the Convertible Loan have substantially identical terms with respect to security, interest rates and term to maturity. However, the Convertible Loan provides that each of the Lenders, in their discretion, may convert, in whole or in part, up to \$75 million of the outstanding principal amount under the Convertible Loan that is advanced, including accrued interest that has been capitalized, to Common Shares at a conversion price of \$1.90 per Common Share (representing a premium of 6.0% to the 5-day volume weighted average price of the Common Shares as at the close of trading on the TSX on September 10, 2019, the last full trading day prior to the date of entering into the Convertible Loan Credit Agreement), at any time during the term of the Convertible Loan or, if MAXIM is in a position to repay the Convertible Loan and has delivered a repayment notice to the Lenders, within 10 business days of receipt of any repayment notice from MAXIM. The closing price of the Common Shares on the TSX on September 12, 2019, being the date that was two trading days following the announcement of the Loans and the last trading day prior to the date of this Information Circular, was \$1.76. The conversion right may be exercised by each Lender separately and any non-electing Lender will be entitled to the repayment of any amounts outstanding under the Convertible Loan, based on its pro-rata commitment under the Convertible Loan (being 50% to Alpine and 50% to Prairie Merchant). The Lenders have agreed to postpone and subordinate each of the Construction Loan and the Convertible Loan to a senior financing (a "**Senior Financing**") which may be obtained by MAXIM from a financial institution, subject to the satisfaction of certain conditions including that the financial institution provide \$25 million to \$50 million of financing to MAXIM on economic terms that are more favorable than the Loans. If the Bank Loan is obtained on the terms currently being discussed with the Bank Lender, such financing is expected to satisfy the conditions required for the Lenders to provide such postponement and subordination.

A summary of the material terms and conditions of each of the Construction Loan and the Convertible Loan are set forth below:

<u>Summary of Terms:</u>	<u>Construction Loan</u>	<u>Convertible Loan</u>
Loan:	\$22 million revolving loan.	\$75 million revolving loan (subject to reduction by the Lenders, in their discretion, by an amount not to exceed the amount of any Senior Financing).
Use:	Fund development of M2 under the EPC Contract with up to \$1 million available for general administrative expenses and continued project development activities.	Repayment of Construction Loan, fund development of M2 under the EPC Contract with up to \$5 million available for general administrative expenses and continued project development activities.
Conditions:	Customary for transaction of this nature.	Customary for transaction of this nature and including Disinterested Shareholder and TSX approval for the Convertible Loan.
Conversion Right:	None.	Amount drawn under Convertible Loan, including accrued but unpaid interest that has been capitalized, to a maximum of \$75 million, is convertible, in whole or in part, into Common Shares at a conversion price of \$1.90 per Common Share at the election of each Lender, such right exercisable at any time during the term of the Convertible Loan or within 10 business days of receipt of any repayment notice from MAXIM. The conversion right may be exercised by each Lender separately, and any non-electing Lender will be entitled to the repayment of any amounts outstanding under the Convertible Loan, based on its pro-rata commitment under the Convertible Loan (being 50% to Alpine and 50% to Prairie Merchant).
Term:	12 months from date of initial advance under the Construction Loan (MAXIM may extend the term by 6 months upon MAXIM providing notice to extend no later than 2 months	

Summary of Terms:	Construction Loan	Convertible Loan
	before the maturity date, subject to satisfaction of certain conditions including payment of an extension fee).	
Mandatory Prepayments	MAXIM is required to prepay the Loans in certain limited circumstances upon MAXIM receiving specified funds, including upon receipt by MAXIM of the AESO Recovery.	
Interest:	12% per annum (subject to increase by 3% per annum upon a default). At MAXIM's election, interest may accrue until M2 is commissioned and commences commercial power production.	
Security:	Guarantees of all of MAXIM's obligations and indebtedness under the Loans from each Loan Party other than MAXIM. First lien secured over all present and after acquired property of MAXIM and the other Loan Parties, including the AESO Recovery, subject to an agreement to subordinate to a financial institution in regards to a Senior Financing.	
Upfront Fees:	Fee equal to 2% of the committed amount under the Convertible Loan once approval is obtained from Disinterested Shareholders for the Convertible Loan, or on the amount available under the Construction Loan if such approval is not obtained, which will be paid within 30 days of commissioning of M2.	
Prepayment Penalty	If the Construction Loan is repaid within 3 months of closing of the Construction Loan, other than through use of proceeds from the Convertible Loan or a Senior Financing, a prepayment fee of \$500,000 will be paid to the Lenders. If the Construction Loan is repaid with the proceeds of a Senior Financing prior to the availability of the Convertible Loan, MAXIM will pay the Lenders a prepayment fee of \$1.0 million.	If the Convertible Loan is repaid within 3 months of closing of the Convertible Loan, other than through the proceeds from a Senior Financing, a prepayment penalty fee of \$500,000 will be paid to the Lenders.
Other Standby or Commitment Fees:	None.	
Financial Covenants:	None.	
Events of Default:	The events of default under the credit agreement for each of the Construction Loan and the Convertible Loan are reasonably typical for debt financings of this nature and include (without limitation):	
	<ul style="list-style-type: none"> • MAXIM's failure to pay any of the outstanding principal or interest when the same becomes due and payable; • any of the representations or warranties made by MAXIM or any other Loan Party in any Credit Facility Document to which it is a party being incorrect when made or deemed to have been made; • MAXIM or any other Loan Party failing to perform any other covenant contained in any Credit Facility Document to which it is a party on its part to be performed or observed; • a default or event of default having occurred in respect of other debt of MAXIM, or any other Loan Party, that is cumulatively in excess of \$250,000, that is outstanding beyond any applicable grace period; • MAXIM, or any other Loan Party, becoming insolvent or taking any steps or proceedings in regard to declaring bankruptcy or insolvency, or claiming relief or protection from creditors; • if a receiver is appointed over all or any substantial part of the assets of a Loan Party, or any cause, petition or proceeding against a Loan Party being instituted in any court of competent jurisdiction seeking, an adjudication in bankruptcy; • all or any material part of the assets of a Loan Party being attached, executed, sequestered or distrained upon; • a final judgment or judgments for the payment of money being rendered against any Loan Party; • any Credit Facility Document or any material provision thereof becoming unenforceable; • any party to a Material Project Contract breaching any term thereof or a default, event of default or a termination event occurs with respect to such a party; • any Material Project Contract or any material provision thereof being repudiated, becoming unenforceable or being terminated; 	

Summary of Terms:**Construction Loan****Convertible Loan**

- a counterparty to a Material Project Contract becoming bankrupt or insolvent;
- any permit necessary to construct or operate M2 being revoked, withdrawn or not obtained;
- any failure by MAXIM, or any other Loan Party, to pay taxes that results in material assets being subject to execution or similar proceedings for such unpaid taxes;
- in the event of loss or damage to M2, the insurance proceeds, together with certain other available funds held or arranged by MAXIM including the contingency being insufficient to repair, rebuild or replace the damage or destruction in respect of which the insurance proceeds are payable;
- the Loan Parties voluntarily ceasing all or substantially all activities in the construction, development and start-up of M2 or in the operation and maintenance of M2;
- there is an expropriation of all or a substantial part of M2; or
- the introduction of or change in any applicable law has occurred which, in any case is likely to materially adversely affect the ability of MAXIM, or any other Loan Party, to meet its obligations under any Credit Facility Document or Material Project Contract to which it is a party.

Certain of such events of default are subject to specified cure periods and materiality thresholds.

Other Covenants:

The covenants under the credit agreement for each of the Construction Loan and the Convertible Loan are reasonably typical for debt financings of this nature and include (without limitation) covenants by MAXIM and each other Loan Party to:

- maintain its existence as a valid legal entity;
- comply with applicable laws, including environmental laws and the *Builders' Lien Act* (Alberta);
- file necessary tax returns and pay applicable taxes;
- keep proper and complete books of record;
- continuously and diligently pursue the completion of M2 and then maintain, preserve, protect and keep M2 in reasonable repair, working order and condition in accordance with good engineering and operating practices;
- deliver to the Lenders yearly audited, and quarterly unaudited, consolidated financial statements for MAXIM together with certain other things including (i) monthly construction status reports relating to M2, (ii) monthly reports summarizing amounts spent, (iii) material documents delivered by the contractors under the EPC Contract, and (iv) notices of various events concerning MAXIM, the other Loan Parties, M2 and the Material Project Contracts, including notice of any default under any Material Project Contract;
- allow the Lenders to visit or inspect M2;
- comply with good environmental practices;
- provide to the Lenders reports as to assets acquired or disposed of by each Loan Party;
- provide to the Lenders upon request an updated survey of the lands on which M2 is being constructed;
- bill and collect all accounts and receivables relating to M2;
- obtain and maintain all permits required for M2;
- not make any changes to the EPC Contract;
- not incur any indebtedness for borrowed money other than specified permitted indebtedness;
- not create, incur or permit to exist any liens or encumbrances on its property other than specified permitted encumbrances;
- not merge, consolidate or amalgamate with any other entity;
- not change its financial year;
- not sell any assets other than specified permitted asset dispositions;
- not pay any dividends or other distributions to Shareholders;
- not make any changes in scope, design or nature of M2 project;
- not amend, replace, assign or permit the assignment of any Material Project Contract except for specified permitted change orders;
- not enter into any hedge or swap transactions; and
- not permit any discharge or transfer of any instrument registered against title to the lands on which M2 is located.

If principal indebtedness under the Convertible Loan, including accrued interest that has been capitalized, in the amount of \$75 million is drawn and converted into Common Shares, the Lenders would collectively receive an aggregate of 39,473,684 Common Shares, representing approximately 43% of the issued and outstanding Common Shares, calculated as of the date of this Information Circular after giving account to the conversion. Upon \$75 million in aggregate principal indebtedness under the Convertible Loan, including accrued by unpaid interest that has been capitalized, having been converted into Common Shares, such conversion right expires. The Lenders will have no further right to convert any other amount of indebtedness under the Convertible Loan including amounts drawn on a revolving basis or otherwise in excess of \$75 million, into Common Shares following the issuance of a total of 39,473,684 Common Shares to the Lenders pursuant to the exercise of their conversion right. There can be no assurance that all indebtedness under the Convertible Loan will be extinguished through the issuance of Common Shares to the Lenders.

The above is a summary of certain material terms of the each of the Construction Loan and the Convertible Loan, which are qualified in their entirety by reference to the full text of such agreements, available under the Corporation's profile on SEDAR at www.sedar.com. This summary does not contain all of the information contained in such agreements. Shareholders should read such agreements carefully and in their entirety, as the rights and obligations of the Corporation and the Lenders under each Loan are governed by the express terms of the respective credit agreement and not by this summary or by any other information contained in this Information Circular.

MI 61-101

The Corporation is a reporting issuer in each of the Provinces of British Columbia, Alberta and Ontario and accordingly is subject to applicable securities laws in such provinces, which in Alberta and Ontario includes MI 61-101. MI 61-101 regulates insider bids, issuer bids, business combinations and related party transactions to ensure equality of treatment among security holders, generally by requiring enhanced disclosure, minority security holders' approval, and, in certain instances, independent valuations and approval and oversight of certain transactions by a special committee of independent directors.

Each of Alpine and Prairie Merchant is a "related party" of the Corporation pursuant to MI 61-101. Alpine is majority owned by Mr. M. Bruce Chernoff, a director, Chairman and Chief Executive Officer of the Corporation, who owns or controls (directly or indirectly) 13,826,050 Common Shares (representing approximately 26.4% of the outstanding Common Shares). Prairie Merchant is owned and controlled by W. Brett Wilson, a director and Vice Chairman of the Corporation, who owns or controls (directly or indirectly) 13,724,486 Common Shares (representing approximately 26.2% of the outstanding Common Shares). Each of the Construction Loan and the Convertible Loan constitutes a "related party transaction" under MI 61-101 as each is a transaction where the Corporation borrows money from, or enters into a credit facility with related parties.

The formal valuation requirements of MI 61-101 do not apply to either of the Construction Loan or the Convertible Loan due to the nature of such transactions, as they do not fall within the types of transactions enumerated in MI 61-101 requiring formal valuation.

Notwithstanding the foregoing, in accordance with Section 6.3(2) of MI 61-101, the Convertible Loan is further exempt from the valuation requirements of MI 61-101 as, although the Convertible Loan may result in the subscription of, or issuance to, a security by the Corporation to "related parties", the transaction involves non-cash consideration or assets (the Convertible Loan and any Common Shares issuable on conversion thereof) that are securities of a reporting issuer or are securities of a class for which there is a published market (the TSX) and, when entering into of the Convertible Loan Credit Agreement, neither the Corporation nor, to the knowledge of the Corporation after reasonable inquiry, the Lenders had knowledge of any material information concerning the Corporation or its securities that had not been generally disclosed and each of the Corporation, Mr. Chernoff and Mr. Wilson have further confirmed that they were not aware of any material information concerning the Corporation or its securities that has not been generally disclosed at the time of entering into the Convertible Loan Credit Agreement. Neither the Corporation nor any of its officers or directors, after reasonable inquiry, are aware of any prior valuations or bona fide offers that have been completed or received by the Corporation in the past 24 months in respect of the Corporation that relate to the subject matter of or are otherwise relevant to the Convertible Loan.

Based on the Lenders having equal interests in the Convertible Loan, and assuming each of the Lenders fully exercise their conversion right under the Convertible Loan, the Common Shares issuable on conversion of the Convertible Loan would be issued as to 50% to Alpine and 50% to Prairie Merchant. Based on this, and assuming the full \$75 million principal amount of the Convertible Loan is fully drawn and converted into Common Shares, the resulting ownership interest of Mr. Chernoff and Mr. Wilson (calculated as of the date of this Information Circular after giving account to the conversion) will be as follows:

Name of Shareholder	Securities Owned, Controlled or Directed	Percentage of the Class of Outstanding Voting Securities of the Corporation ⁽¹⁾
M. Bruce Chernoff ⁽²⁾	33,562,892	36.5%
W. Brett Wilson ⁽³⁾	33,461,328	36.4%

Notes:

- (1) Based on 91,861,589 issued and outstanding Common Shares, including 39,473,684 Common Shares issuable assuming the conversion (in full) of \$75 million of the Convertible Loan.
- (2) Includes Common Shares held by entities that are owned or controlled by Mr. Chernoff (including Alpine). Assuming the full \$75 million principal amount of the Convertible Loan is fully drawn and the full amount of the Convertible Loan attributable to Alpine is converted to Common Shares and no amounts of the Convertible Loan attributable to Prairie Merchant are converted to Common Shares, Mr. Chernoff (inclusive of the entities that are owned or controlled by Mr. Chernoff (including Alpine)) would own or control approximately 46.5% of the then issued and outstanding Common Shares.
- (3) Includes Common Shares held by entities that are owned or controlled by Mr. Wilson (including Prairie Merchant). Assuming the full \$75 million principal amount of the Convertible Loan is fully drawn and the full amount of the Convertible Loan attributable to Prairie Merchant is converted to Common Shares and no amounts of the Convertible Loan attributable to Alpine are converted to Common Shares, Mr. Wilson (inclusive of the entities that are owned or controlled by Mr. Wilson (including Prairie Merchant)) would own or control approximately 46.4% of the then issued and outstanding Common Shares.

The Construction Loan is exempt from the minority shareholder approval requirements of MI 61-101 pursuant to Section 5.7(f) thereof as (1) neither the Construction Loan nor any advance thereunder is (a) convertible, directly or indirectly, into equity or voting securities of the Corporation or a subsidiary entity of the Corporation, or otherwise participating in nature or (b) repayable as to principal or interest, directly or indirectly, in equity or voting securities of the issuer or a subsidiary entity of the Corporation, and (2) the Construction Loan has been obtained from one or more related parties on reasonable commercial terms that are not less advantageous to the Corporation than if the Construction Loan was obtained from a person dealing at arm's length with the Corporation, as determined by the Special Committee. See "*Matters to be Acted Upon at the Meeting – Deliberations of the Special Committee*".

The Convertible Loan constitutes a "related party transaction" for the purposes of MI 61-101, requiring the approval of a majority of Disinterested Shareholders.

TSX Rules

The Common Shares are listed on the TSX under the symbol "MXG". In accordance with Section 604(a)(ii) of the TSX Company Manual, where a transaction involves consideration paid or received by "insiders" of the issuer in excess of 10% of the issuer's market capitalization in any 6-month period, the TSX requires that the transaction be approved by the issuer's security holders to the exclusion of those security holders who are "insiders" of the Corporation. Each of Mr. Chernoff, Mr. Wilson and their respective associates and affiliates (including Alpine and Prairie Merchant) are considered "insiders" of the Corporation pursuant to the rules of the TSX. As such, in accordance with the rules of the TSX, all fees, including interest (for both the Construction Loan and the Convertible Loan), and other fees payable to the Lenders, as well as the value of the Common Shares issuable on conversion of the Convertible Loan based on the maximum number of Common Shares issuable thereunder multiplied by the deemed value of a Common Share will be deemed to be consideration received by "insiders". In the event the Lenders elect to convert the Convertible Loan, according to the above listed rules of the TSX and the assumptions listed below, the aggregate consideration received by the "insiders" would be equal to the aggregate value of the Common Shares issuable on conversion of the Convertible Loan (\$75,000,000), plus the aggregate amount of fees payable under the Loans (\$1,500,000), totalling \$76,500,000 (82% of the Corporation's market capitalization). As such, the Convertible Loan will require Disinterested Shareholder approval.

The Corporation used the following assumptions in calculating the total consideration to be received by the "insiders" in accordance with the rules of the TSX: (i) a current market capitalization (pre-conversion) of the Corporation of approximately \$93.2 million; (ii) the Construction Loan (including accrued interest thereon) is repaid from funds drawn under the Convertible Loan; (iii) \$75 million is outstanding on the Convertible Loan (representing the full draw of the Convertible Loan, including interest accrued thereunder) which amount is converted into Common Shares at a conversion price of \$1.90 per share for deemed consideration equal to \$75,000,000; and (iv) the aggregate fees payable in respect of each of the Construction Loan and Convertible Loan are \$1,500,000. The foregoing is not necessarily indicative of the consideration the Lenders will actually receive, and assumes certain facts including the principal amount of the loans outstanding, the treatment of interest and fees under the Construction Loan and Convertible Loan

and the method of valuing the Common Shares potentially issuable on conversion of the Convertible Loan to Common Shares (which will be in lieu of cash repayment of the \$75,000,000 principal amount of the Convertible Loan and does not deduct such amounts as paid by the Lenders for the Common Shares issuable on conversion of the Convertible Loan). In the event the Lenders do not convert the Convertible Loan, they will not realize the value of any Common Shares in the manner described above, and will only receive interest totaling \$8,895,126 and fees totaling \$1,500,000 pursuant to the Loans (assuming interest is payable and deferred on \$22 million (representing the full draw of the Construction Loan) for one month and on \$75 million (representing the full draw of the Convertible Loan) for eleven months). As a result, the Corporation expects the actual consideration received by insiders may vary.

Further, in accordance with Section 607(g) of the TSX Company Manual, the TSX requires Disinterested Shareholder approval for a transaction if, in any 6-month period, Common Shares (or options, rights or other entitlements to listed Common Shares) representing greater than 10% of the number of Common Shares which are outstanding, on a non-diluted basis, prior to the date of closing of such transaction are issued to insiders of the Corporation. As the up to 39,473,684 Common Shares that may be issuable, in aggregate, to the Lenders (each being an "insider" of the Corporation) pursuant to the conversion feature of the Convertible Loan would represent approximately 75% of the number of issued and outstanding Common Shares as at the date of the Convertible Loan Credit Agreement, the Convertible Loan (and the Common Shares issuable on conversion thereof) will also require Disinterested Shareholder approval in accordance with Section 607(g) of the TSX Company Manual.

The Corporation has applied to the TSX for approval of issuing and listing up to 39,473,684 Common Shares. Listing of such Common Shares will be subject to meeting TSX additional listing requirements.

Disinterested Shareholder Approval

The Corporation is seeking approval of the Loan Resolution by a majority of the Disinterested Shareholders pursuant to Section 5.6 of MI 61-101 and the rules of the TSX Company Manual. In seeking Shareholder approval for the Convertible Loan, the Corporation is required to exclude the votes attached to the Common Shares that, to the knowledge of the Corporation or any "interested party" or their respective directors and senior officers, after reasonable inquiry, are beneficially owned or over which control or direction is exercised by "interested parties" and their "related parties" and "joint actors" (each as defined in MI 61-101) (the "**Excluded Parties**"). The Excluded Parties are also the "insiders" (as defined by the TSX, which includes Mr. Chernoff, Mr. Wilson and their respective affiliates and associates, including Alpine and Prairie Merchant), whose votes must be excluded in determining Shareholder approval of the Loan Resolution for the purposes of the TSX.

The table below sets out the individual ownership of Common Shares and percentage interest in the Corporation as at the date of this Information Circular and the total number of Common Shares of the Excluded Parties (for the purposes of each of MI 61-101 and the TSX) that will be excluded from the vote on the Loan Resolution:

Name of Shareholder	Securities Owned, Controlled or Directed	Percentage of the Class of Outstanding Voting Securities of the Corporation ⁽¹⁾
M. Bruce Chernoff ⁽²⁾	13,826,050	26.4%
W. Brett Wilson ⁽³⁾	13,724,486	26.2%

Notes:

- (1) Based on 52,387,905 issued and outstanding Common Shares as at September 13, 2019.
- (2) Includes Common Shares held by entities that are owned or controlled by Mr. Chernoff.
- (3) Includes Common Shares held by entities that are owned or controlled by Mr. Wilson.

The full text of the Loan Resolution is set forth in Schedule "A" to this Information Circular. To be approved, the Loan Resolution must be passed by the affirmative votes cast by holders of not less than a majority of the Common Shares of the Disinterested Shareholders represented in person or by proxy at the Meeting that vote on such resolution.

In the event that Disinterested Shareholders do not approve the Loan Resolution at the Meeting, a condition to the closing of the Convertible Loan will not be satisfied and the Convertible Loan will be terminated and the Corporation will not be entitled to any funds or advances thereunder. As a result, the Corporation may not have sufficient funding to build and commission M2. Furthermore, the EPC Contract requires, among

other things, that MAXIM provide the Contractor with proof that it has entered into binding financing arrangements to provide sufficient funds for the construction of M2, within 60 days of the date of the EPC Contract. In the event such notice is not provided within this 60-day period, the Contractor retains the right to suspend work on M2 or terminate the EPC Contract. Additionally, MAXIM would remain liable for its obligations under (among other things) the Construction Loan, and, without the ability to generate significant cash flows (from M2 or otherwise) may not be able to meet its obligations thereunder and otherwise. See "*Risk Factors - Leverage and Borrowing Risk*" and "*Risk Factors – Inability to Obtain Financing to Build and Commission M2*".

Deliberations of the Special Committee

As a result of MAXIM having received the Financing Proposal from Mr. Chernoff and Mr. Wilson, the Board determined it would be appropriate that independent directors of the Corporation form a special committee of independent directors of the Corporation (the "**Special Committee**") to consider and, if applicable and deemed advisable, participate in any negotiations with such persons with respect to the Financing Proposal and the Loans. Each of Wiley Auch, Brad Wall and Johann Polz confirmed that they were not "interested parties" (as defined by MI 61-101) in the matters and transactions contemplated by the Financing Proposal and were "independent directors" for the purposes of such transactions as determined in accordance with MI 61-101. On July 25, 2019, the Board approved the formation of the Special Committee comprised of such individuals. The Special Committee convened its first meeting immediately thereafter and Mr. Auch was appointed as the Chair of the Special Committee.

Following the July 25, 2019 meeting, a draft of the mandate of the Special Committee, prepared and presented to the committee by counsel to MAXIM, was considered and, after discussion and advice of the Special Committee's counsel with respect to the same, the Special Committee was authorized:

- to adopt practices and procedures that:
 - ensure that the interests of the Disinterested Shareholders are adequately protected and that all security holders are treated in a manner that is fair and that is perceived to be fair. Without limiting the generality of the foregoing, it is essential that any disclosure, process seeking approval of security holders (including the Disinterested Shareholders), valuation (if any), and review and approval processes regarding the Loans be undertaken by the Corporation in the manner contemplated in MI 61-101;
 - mitigate risks to minority security holders (including Disinterested Shareholders), and safeguard against the potential for unfair advantage for any interested party, as a result of such interested party's conflict of interest, or informational or other advantage, in connection with the proposed Loans; and
 - effectively mitigate conflicts in material conflict of interest transactions, including without limitation, the proposed Construction Loan and Convertible Loan;
- to receive details of, consider and evaluate any proposal concerning the Construction Loan and Convertible Loan, and discuss such proposal with, representatives of the Lenders, the Corporation and the experts, consultants and advisors to such parties (the "**Representatives**");
- to negotiate, or actively oversee the Corporation's negotiation of, the terms and conditions of the Loans with the Lenders and their Representatives. Without limiting the generality of the foregoing, if thought necessary or advisable by the Special Committee, canvass with the Representatives any revisions to the structure of the Loans that the Special Committee considers to be necessary or advisable by way of response to matters of concern to the Special Committee, including negotiations concerning such revisions;
- in the context of MI 61-101, the rules of the TSX and other applicable laws, regulations or rules, including without limitation, pertaining to related party transactions, to carry out an assessment as to (1) the desirability or fairness of the Loans to the Disinterested Shareholders and the Corporation, (2) whether the Loans are on reasonable commercial terms that are not less advantageous to the Corporation than if the Loans were with any person dealing at arm's length with the Corporation, and (3) as may be otherwise required in connection with the Loans;
- to consider and advise the Board as to whether the Loans are in the best interests of the Corporation, having regard to all considerations determined relevant by the Special Committee;

- to review any public disclosure to be made by the Corporation with respect to the Loans and any related transaction documentation;
- from time to time provide advice and guidance to the Board as to matters considered by the Special Committee to be reasonably ancillary to the Loans, together with the recommendations of the Special Committee with respect thereto; and
- without limiting the generality of the foregoing, to carry out its obligations under all applicable laws, including, without limitation, applicable corporate and securities laws;

it being understood that the Special Committee is entitled, without further authorization from the Board, to consider all matters that it may consider relevant to those listed above.

Since being formed, the Special Committee has met formally 4 times and, additionally, has had numerous separate discussions amongst themselves and with MAXIM management, its legal counsel, Macquarie Capital and Representatives of the Lenders.

During its July 25, 2019 meeting, the Special Committee received a report from MAXIM management on the status of the EPC Contract, the Corporation's budget with respect to M2, the status of construction and development of M2, and the results of the Corporation's recent discussions with financing sources. See "*Matters to be Acted Upon at the Meeting - Background to the Convertible Loan*". Senior management of the Corporation updated the Special Committee on the status of discussions with the Bank Lender, noting that such discussions were progressing positively but would not be advanced without prior adequate financing for M2 and that, even in such case, there was no certainty that the Bank Loan would be provided.

During the July 25, 2019 meeting, the Special Committee received the advice of the Corporation's outside legal counsel on, among other things, the roles and duties of directors and independent committees in considering non-arm's length corporate transactions that raise issues of real or apparent conflict between the interests of the controlling shareholder(s), directors or management of a corporation and the minority public shareholders of a corporation, such as the proposed Loans, or in other circumstance where conflicts may arise.

The Special Committee considered the appointment of independent legal advisors and fairness opinion providers. In this regard, the Special Committee determined to assess the credentials and qualifications of a number of potential fairness opinion providers and contacted certain candidates to present their qualifications and the proposed terms of their advisory mandate and engagement. The Special Committee also considered the qualifications of a number of law firms and determined it would retain (subject to confirming the absence of any conflicts) BLG as independent counsel to the Special Committee. On July 26, 2019, BLG was retained as independent counsel to the Special Committee.

Effective August 1, 2019, after receipt of a number of proposals from potential fairness opinion providers and after careful review of their independence, qualifications, and the proposed terms of their respective engagements, the Special Committee retained Macquarie Capital to provide a fairness opinion and, in this regard, entered into an engagement agreement on August 9, 2019 with Macquarie Capital, as amended on September 5, 2019, which engagement contemplated the provision of its opinion as to the fairness, from a financial point of view, to MAXIM of the financial terms of the Transaction.

On August 7, 2019, the Special Committee met with its legal counsel to discuss various preliminary matters and the process for the Special Committee's assessment of the Financing Proposal and the Loans, including the independence of the members of the Special Committee, the duties and responsibilities of the Special Committee and the Special Committee's planned receipt of Macquarie Capital's opinion in respect of the fairness, of the financial terms of the Transaction, from a financial point of view, to MAXIM. The Special Committee reviewed with its legal counsel the implications that MI 61-101 may have on the proposed Transaction, including the role of independent committees in such types of transactions and the possible requirement for minority securityholder approval. At the meeting, the committee discussed Mr. Wall's contractual relationship with counsel to the Lenders for the Financing Proposal and the Loans constituting a conflict, whether actual or apparent. Mr. Wall advised that, in his view, his resignation from the Special Committee was appropriate, out of an abundance of caution and care for the imperative of the clear independence the Special Committee and tendered his resignation effective immediately. Thereupon, the Special Committee consisted of Wiley Auch and Johann Polz. The Special Committee outlined its immediate process for assessing the Financing Proposal and the Loans to include without limitation:

- a review and assessment of alternatives to the Financing Proposal, including results from the Corporation's previous broad solicitations for expressions of interest for financing proposals for funding from arm's length sources, sufficient for the Corporation to build and commission M2;

- receiving Macquarie Capital's presentation in connection with, and the provision of, its verbal opinion as to the fairness of the financial terms of the Transaction, from a financial point of view, to MAXIM;
- a review and assessment of the definitive credit agreements for the Loans, including the Convertible Loan Credit Agreement, and, to the extent considered necessary or advisable, further negotiation with the Lenders regarding the terms and conditions of the Loans;
- a determination as to whether the terms of the Loans are fair and reasonable to the Corporation and in the best interest of the Corporation and a corresponding report and recommendation to the Board; and
- where it is determined to proceed with the Loans, preparation and oversight of proxy materials to be sent to Shareholders seeking Disinterested Shareholder approval of the Convertible Loan in accordance with MI 61-101 and TSX rules, including, without limitation, the Special Committee's recommendation to Disinterested Shareholders to vote in favour of the Corporation's borrowing of up to \$75 million under the Convertible Loan from the Lenders, as lenders (and authorizing and ratifying the Corporation's entering into the Convertible Loan Credit Agreement).

On August 9, 2019, the Special Committee along with representatives of senior management of MAXIM, together with BLG, independent counsel to the Special Committee, met to receive Macquarie Capital's verbal opinion as to the fairness of the financial terms of the Transaction, from a financial point of view, to MAXIM, and to further review the term sheet setting forth the then current terms of the Financing Proposal, the Loans and related matters. At the August 9, 2019 meeting, Macquarie Capital delivered its formal presentation in connection with, and provided, its verbal fairness opinion (which included the Loans as set forth in the draft term sheet in respect of the Financing Proposal available at the time of the meeting) and advised that the financial terms of the Transaction were fair, from a financial point of view, to MAXIM, subject to various assumptions, qualifications and limitations that would be contained in its written Fairness Opinion, set forth as Schedule "B" to this Information Circular. Macquarie Capital's Fairness Opinion is discussed in further detail under the heading "*Matters to be Acted Upon at the Meeting - Fairness Opinion*". Macquarie Capital advised the Special Committee that it intended to prepare and deliver the Fairness Opinion for inclusion in the Information Circular.

The Special Committee discussed Macquarie Capital's verbal fairness opinion with the Macquarie Capital representatives present at the August 9, 2019 meeting, including:

- the background work undertaken by Macquarie Capital in providing its verbal fairness opinion, including the specific documents, materials, information and reports reviewed, investigated and relied upon by Macquarie Capital in rendering such opinion; and
- Macquarie Capital's scope of review and analysis methodology.

The Special Committee considered MAXIM's options for financing its estimated funding deficiency, including options for issuing equity and other debt or finance options, which included whether the status of the current equity and lending markets (including for projects similar to M2 and companies of similar size and scope as MAXIM) would provide a reasonable alternative to financing under the Loans.

Following the departure of the Macquarie Capital representatives and MAXIM senior management representatives from the August 9, 2019 meeting, the Special Committee, together with its legal counsel, continued its discussion of Macquarie Capital's verbal opinion with respect to the fairness of the then current financial terms of the draft Financing Proposal to MAXIM. Upon discussion, deliberation and review, and after consulting with its legal advisors, the Special Committee determined that the terms of the Loans, as set forth in the draft Financing Proposal available at the time of the meeting (as well as the draft credit agreement available to the Special Committee as of the meeting), were generally fair and reasonable to the Corporation in the circumstances, and that the Corporation should pursue further discussions and negotiations with the Lenders for financing based on the general parameters set forth in the Financing Proposal. In reaching their decision to pursue the Financing Proposal and the Loans, the Special Committee considered the following factors:

- the Corporation's current financial position and current ability to generate revenues, noting that federal regulations have and will continue to limit the generating capacity at HR Milner to 9% after December 31, 2019 and that, without the generating capacity developed through the M2 project, the Corporation would have limited revenue generating operations;

- based on input from MAXIM management, Macquarie Capital's verbal fairness opinion and the awareness of members of the Special Committee, the unreceptive status of current markets for MAXIM's equity and debt and MAXIM's options for its funding requirements for M2 and the EPC Contract, including any potential for issuing Common Shares (or other equity) and other debt financing options for projects similar to M2 and companies of similar size and scope as MAXIM;
- the Corporation's expectations on the amounts it could raise in an equity financing, including the Corporation's recent stock price, trading volumes and the expected dilution that would be associated with any equity financing initiatives, noting that the Corporation would still likely be left with a significant funding deficiency for M2;
- that potential equity financings, if available at all, would be at prices substantially lower than MAXIM's current trading price and the likelihood that further equity incentives in any such financings, such as warrants or similar instruments, would be required, adding to potential dilution;
- the Corporation's previous broad solicitations for expressions of interest for arm's length financing proposals and the results thereof, including that no arm's length proposal would provide the Corporation sufficient funding to build and commission M2;
- the Lenders' familiarity with the Corporation and its operations, and the expected certainty that the Loans set forth in the Financing Proposal would be made available to the Corporation by such Lenders, without any requirement for further due diligence or other conditions;
- the terms and conditions set forth in the Financing Proposal, including, but not limited to, the various fees payable under the Loans and the context of the indicative terms and conditions set forth in the other limited financing proposals received by the Corporation from arm's length financing sources (noting no lender or combination of lenders was willing to fully fund the Corporation's budgeted requirements) for M2;
- that the Lenders would subordinate the Loans to any Senior Financing, potentially including the Bank Lender (subject to certain conditions), facilitating the Corporation's anticipated ability to secure additional funding from other sources on favorable terms and conditions;
- Macquarie Capital's verbal opinion that the then current financial terms of the Transaction were fair, from a financial point of view, to the Corporation, subject to the various assumptions, qualifications and limitations contained in the Fairness Opinion;
- the anticipated terms of the EPC Contract were being negotiated by the counterparties thereto on the assumption that MAXIM had access to sufficient financing to meet its obligations thereunder;
- the Corporation's expected construction windows with respect to M2 and the timing for having access to sufficient capital to meet its expenditures related to M2 and under the anticipated EPC Contract in such time periods; and
- that the Loans would, if required and approved (to the extent required), provide sufficient funding to satisfy all of the Corporation's expected requirements with respect to M2, without requiring additional third party financing.

Following the August 9, 2019 meeting, the Special Committee provided their feedback and views on the Financing Proposal and the Loans to MAXIM's senior management and instructed management, together with the Chair of the Special Committee, Wiley Auch, to revert to the Lenders with their views on the Financing Proposal.

On August 13, 2019, Mike Mayder communicated with Representatives of the Lenders regarding the Special Committee's views on the Financing Proposal with the intention of negotiating certain terms and conditions set forth therein. As part of such discussions and negotiations, the parties subsequently agreed to revise certain terms and conditions as set forth in the Financing Proposal.

On August 27, 2019, MAXIM entered into the EPC Contract and publicly announced the same after the close of markets that day (see "*Matters to be Acted Upon at the Meeting – Background to the Convertible Loan*" for further information on the EPC Contract).

The term sheet in respect of the Financing Proposal was finalized by MAXIM and the Lenders on September 3, 2019, and negotiation of terms and conditions of the Loans continued until the execution of the definitive agreement for the Construction Loan and the Convertible Loan Credit Agreement on September 10, 2019.

Prior to the formation of the Special Committee, drafts of the term sheet setting forth the Financing Proposal had been prepared by the Lenders, and provided to MAXIM and its legal advisors. MAXIM management forthwith provided such drafts to the Special Committee and its legal advisors for review and comment. During the period from August 9, 2019 to September 10, 2019, the Corporation, with the assistance and supervision of representatives of the Special Committee, the Lenders and their respective advisors negotiated the Financing Proposal and the terms and conditions of a definitive credit agreement for the Construction Loan and the Convertible Loan Credit Agreement. Due to the various aspects of the matters and transactions contemplated by the Financing Proposal, the Special Committee, and its legal advisors, worked closely with management of MAXIM (and MAXIM's advisors) in connection with negotiating the term sheet setting forth the Financing Proposal, as well as the settlement of various terms and conditions in respect of the Loans, subject in all cases to the review, comments and direction of the Special Committee. The Special Committee's involvement of management (and the Corporation's advisors) in such negotiations and discussions was determined as a result of: (i) the Special Committee's expectation and understanding that no member of management of MAXIM (other than Mr. Chernoff) had any interest in, or would receive a "collateral benefit" (as defined in MI 61-101) with respect to, any aspect of the Transaction and Mr. Chernoff would not be involved in such negotiations on behalf of the Corporation; and (ii) management's knowledge about the business, affairs, operations and prospects of MAXIM (including HR Milner, M2 and the financial condition of the Corporation) appropriately qualified them to play a role in discussions with respect to the Loans. During the course of the same, management of MAXIM provided the Special Committee with a substantial amount of information regarding the business, affairs, operations and prospects of MAXIM (including HR Milner, M2 and the financial condition of the Corporation), the proposed terms of the Financing Proposal and the Loans. The Special Committee and its legal advisors considered and reviewed such information and reviewed drafts of the term sheet setting forth the Financing Proposal, the definitive credit agreement for the Construction Loan and the Convertible Loan Credit Agreement. In consultation with its legal advisors, the committee made determinations about the fairness and reasonableness of various aspects of the Financing Proposal and the definitive credit agreements, and negotiated for the position of the Special Committee both directly with the Lenders and through MAXIM management on various matters dealt with therein, including in particular the security granted under the Loans, the terms of the Lenders' conversion rights under the Convertible Loan, the postponement and subordination of each of the Construction Loan and the Convertible Loan to a Senior Financing, the term to maturity for the Loans (including the conditions relating to any extension thereunder) and the repercussions of a default by a Lender under the Loans, among other matters. As well, the Special Committee considered potential alternatives to the proposed Transaction such as maintaining the status quo.

During the same period in which the Special Committee was involved in negotiating the Financing Proposal, the definitive credit agreement for the Construction Loan and the Convertible Loan Credit Agreement, the Special Committee, in consultation with its legal advisors, discussed, on an ongoing basis, the continued relevance of Macquarie Capital's August 9, 2019 verbal opinion regarding the Transaction given the time elapsed. Through such discussions, the Special Committee, in consultation with its legal advisors, determined to engage Macquarie Capital to update its previous verbal opinion regarding the fairness of the financial terms of the Transaction, from a financial point of view, to MAXIM, based on its review of the final term sheet reflecting the Financing Proposal and the terms and conditions of the draft definitive credit agreements for the Loans prepared in connection therewith, which were made available to Macquarie Capital up to the date of its Fairness Opinion. On September 5, 2019, MAXIM and Macquarie Capital amended the engagement letter whereby Macquarie Capital agreed to provide its written opinion as to the fairness of the financial terms of the Transaction, from a financial point of view, to MAXIM as contemplated by the final term sheet for the Financing Proposal and drafts of the definitive credit agreements for the Loans made available to Macquarie Capital up to the date of its Fairness Opinion. See "*Matters to be Acted Upon at the Meeting – Fairness Opinion*" for further information on the Fairness Opinion.

On September 9, 2019, the Special Committee met with MAXIM management, representatives of Macquarie Capital and the committee's independent legal advisor, BLG. At the meeting, the Special Committee reviewed management's written report with respect to the terms of the definitive credit agreements for the Loans, the status of the M2 project and the recently signed EPC Contract, as well as the status of discussions with the Bank Lender regarding the Bank Loan. Management advised that, although MAXIM had received a draft term sheet from the Bank Lender and worked to finalize the terms for a Bank Loan, no draft of a definitive credit agreement for such Bank Loan had been received. Members of the Special Committee engaged management in a discussion about MAXIM's assets, business and operations, which included the status of M2. The Special Committee chairman confirmed that the committee members and the committee's legal counsel had received the final term sheet in respect of the Financing

Proposal and near-final drafts of the definitive credit agreement for the Construction Loan and the Convertible Loan Credit Agreement in advance of the meeting. The Special Committee members engaged management in a discussion about the terms and conditions of the Loans as set forth in the near-final draft definitive credit agreements.

Following such discussions between management and the Special Committee, Macquarie Capital advised that it had been provided the final term sheet in respect of the Financing Proposal and near-final drafts of the definitive credit agreement for the Construction Loan and the Convertible Loan Credit Agreement. The Special Committee then received Macquarie Capital's presentation in connection with its verbal fairness opinion and Macquarie Capital advised that, in its opinion, the financial terms of the Transaction were fair, from a financial point of view, to MAXIM, subject to the assumptions, limitations and qualifications that would be set out in such Fairness Opinion. Macquarie Capital advised the Special Committee that it intended to prepare and deliver the Fairness Opinion (which was delivered on September 10, 2019) for inclusion in the Information Circular. Macquarie Capital's Fairness Opinion is discussed in further detail under the heading "*Matters to be Acted Upon at the Meeting - Fairness Opinion*".

Following the departure of the Macquarie Capital representatives and MAXIM senior management representatives from the September 9, 2019 meeting, the Special Committee, together with its legal counsel, continued its discussion of Macquarie Capital's verbal fairness opinion. Upon concluding its deliberations regarding the Loans, the Special Committee made its unanimous determination and recommendations set forth under "*Matters to be Acted Upon at the Meeting – Recommendation of the Special Committee*".

Recommendation of the Special Committee

At its September 9, 2019 meeting, after careful consideration of its deliberations, reviews and process in assessing the financial and other aspects of the Loans, M2 and the EPC Contract, as described herein, including certain commercial items with respect to the definitive agreements for the Loans, management's assessment of the potential benefits of the Loans, M2 and the EPC Contract, the advice of BLG and such other matters as it considered relevant, and after having carefully considered Macquarie Capital's opinion that the financial terms of the Transaction are fair to MAXIM from a financial point of view and expecting but subject always to Macquarie Capital's delivery of the Fairness Opinion, the Special Committee unanimously determined that the Construction Loan and the Convertible Loan are fair and reasonable in the circumstances, the Loans are on commercial terms that are no less advantageous to the Corporation than if obtained from a person dealing at arm's length with the Corporation in the circumstances, and in the best interests of the Corporation. Accordingly, the Special Committee recommended that:

- the Board approve the Construction Loan and the Convertible Loan and Corporation's entering into definitive credit agreements for the Loans; and
- Disinterested Shareholders vote **FOR** the Loan Resolution.

See "*Matters to be Acted Upon at the Meeting - Background to the Convertible Loan*" and "*Matters to be Acted Upon at the Meeting - Deliberations of the Special Committee*".

The Special Committee received Macquarie Capital's written Fairness Opinion on September 9, 2019 and subsequently presented its determination and recommendations to the Board on September 10, 2019. See "*Matters to be Acted Upon at the Meeting – Approval and Recommendation of the Board*".

Reasons for the Special Committee Recommendation

In making its recommendations to the Board, the Special Committee considered and relied upon a number of factors, including the factors discussed above in connection with the Special Committee's determination to pursue and negotiate the Financing Proposal and the following:

- the relative absence of other alternatives reasonably available to MAXIM to fund the construction and development of M2 (a requirement under the EPC Contract) within the project time schedule;
- assuming the Convertible Loan is approved by Disinterested Shareholders at the Meeting, the certainty of full funding available for the EPC Contract and the development and construction budget, with room for contingencies and other corporate initiatives;
- the Corporation's belief, based on discussions and negotiations with the counterparties to the EPC Contract that if the Corporation's obligations under the EPC Contract were not, or had no reasonable way of being, fully funded, that the terms of the EPC Contract may not be available or would be less favorable to the Corporation;

- the importance of M2 to MAXIM, in furtherance of the Corporation's determination and direction, as previously announced, that the development of additional electricity generation capacity at HR Milner through the M2 project was the best risk-adjusted return for Shareholders after assessing other alternatives;
- the importance of the EPC Contract in de-risking the costs and timing of M2;
- the advantages to having funding available to continue construction and other work on M2, within the Corporation's planned construction windows, thus avoiding possible delays (which delays would also delay the Corporation generating revenues from operations from M2) and cost increases as a result;
- the expected time commitments required for the construction and development of M2, noting the benefits of having management's time and attention being devoted to such matters (as opposed to other corporate matters such as seeking other sources of financing);
- management's experience in the development and operations of power generation assets and their work to date on M2;
- the effects of maintaining the status quo and not developing or commissioning M2, which would likely result in MAXIM not having operations generating significant revenue, and eventually no revenue generating operations due to federal legislation that severely limits the generating capacity of HR Milner after December 31, 2019;
- the risks associated with trying to secure funding from other third parties, including the risk that such funding may not be available, measured against the relative certainty of securing the Construction Loan or the Convertible Loan;
- Disinterested Shareholders will be given a right to vote on and approve the Convertible Loan as a result of the requirements of MI 61-101 and the rules and policies of the TSX;
- Macquarie Capital's verbal opinion, as subsequently updated and confirmed by the Fairness Opinion provided by Macquarie Capital to the Special Committee, that, as of the date of the Fairness Opinion and subject to the assumptions, limitations and qualifications stated in the Fairness Opinion, the financial terms of the Transaction are fair, from a financial point of view, to MAXIM;
- the Corporation is entitled under the Convertible Loan to pursue and enter into agreements for a Senior Financing, and subject to certain conditions, the Lenders have agreed to subordinate their interests and security to any Senior Financing, providing the Corporation the opportunity to re-finance a portion of the indebtedness to the Lenders on terms and conditions that may be more favourable to the Corporation, including under the potential Bank Loan;
- the Corporation is entitled under the credit agreements to pursue and enter into a definitive credit facility for Senior Financing, which provides the Corporation the opportunity to significantly reduce the amount of funds borrowed pursuant to the Loans, thereby reducing the Corporation's exposure to interest costs under the Loans and the dilution associated with the potential conversion of the Convertible Loan;
- the amounts already invested by MAXIM in M2 with respect to engineering, construction and equipment purchases;
- the current equity ownership level of each of Mr. Chernoff and Mr. Wilson, noting that based on their current positions, that the effective control of the Corporation would not be materially affected;
- the prospect of the Corporation realizing positive cash flow from operations after financing costs, following the completion and commissioning of M2;
- that current, and prospects for a continued, low natural gas price environment in Alberta support the pursuit of a natural gas fired power plant at Grand Cache;
- that M2 is expected to be a highly efficient power plant which will allow MAXIM to be competitive against certain other sources of supply into the provincial power grid;
- that following the phasing out of its coal fired HR Milner plant, M2 will make use of MAXIM's existing electrical transformer equipment, power transmission lines, plant site, water license and existing

permits – most of which would be difficult to sell and expensive to decommission if MAXIM were to discontinue its power generation business;

- that completion and commissioning of M2 will facilitate a further upgrade to M2 to a combined cycle power plant, increasing both the capacity and the efficiency of M2 and the prospects of MAXIM to increase cash flow;
- that successful completion and commissioning of M2 and generation of revenues will also facilitate usage of the Corporation's existing tax pools;
- that completion and commissioning of M2, and generation of positive operating cash flows, will facilitate the potential funding of MAXIM's other development projects including the ability to install up to an additional 494 MW of electric capacity at HR Milner, develop a 190 MW natural gas fired peaking station at Deerland, and develop 200 MW of wind powered generation at Buffalo Atlee, projects which MAXIM has been developing for the last several years;
- that the Corporation does not anticipate receiving cash proceeds of the AESO Recovery prior to the middle of 2021 based on the AESO's currently published revised timeline;
- the dilution associated with the potential conversion of the Convertible Loan as measured against dilution associated with a potential equity offering by the Corporation for similar amounts (if available) under current market conditions;
- to the extent that the Convertible Loan (if approved) is converted to Common Shares, the Corporation may be able to realize increased operational cash flows from M2 due to financial resources no longer being required to service or repay such indebtedness. See "*Matters to be Acted Upon at the Meeting – Summary of the Loans*" for a discussion of the limited circumstance in which the Lenders have an exercisable right to convert the Convertible Loan into Common Shares; and
- the Corporation's belief that the completion, commissioning and operation of the M2 project will be accretive based on the volume weighted average trading price of the Common Shares on the TSX for the five trading days preceding the date of the Convertible Loan Credit Agreement (\$1.90).

The Special Committee also considered the potential benefits to the Corporation as discussed herein and also considered and discussed a number of the potential risks to the Corporation and negative factors associated with the Loans to the Corporation and the effects of such risks on the interests of minority Shareholders, including among others, the risks described under "*Matters to be Acted Upon at the Meeting – Risk Factors*".

The foregoing discussion of the information and factors considered and given weight by the Special Committee is not intended to be exhaustive. In reaching the determination to recommend the Loan Resolution, the Special Committee did not assign any relative or specific weights to the foregoing factors, and individual directors may have given different weights to different factors.

Approval and Recommendation of the Board

Following the Special Committee's September 9, 2019 meeting, a meeting of the Board was convened on September 10, 2019, which included representatives of MAXIM's legal counsel, at which the chair of the Special Committee provided a report to the Board as to the process undertaken and the matters considered by the Special Committee in its review and assessment of the Loans, including the matters and determinations described above under "*Matters to be Acted Upon at the Meeting – Deliberations of the Special Committee*" and "*Recommendation of the Special Committee*". The Special Committee's conclusions and recommendations with respect to the Loans, as set forth above under "*Matters to be Acted Upon at the Meeting – Recommendation of the Special Committee*", were conveyed to the Board.

Upon receipt of the Special Committee's report regarding its review and assessment of the Loans, and the Special Committee's recommendations with respect thereto, the Board adopted the recommendations of the Special Committee and approved the Construction Loan and the Convertible Loan and the Corporation's entering into a definitive credit agreement for Construction Loan and the Convertible Loan Credit Agreement, and resolved to recommend that Disinterested Shareholders vote **FOR** the Loan Resolution. M. Bruce Chernoff and W. Brett Wilson abstained from voting.

On September 10, 2019 the Corporation entered into the definitive credit agreement for the Construction Loan and the Convertible Loan Credit Agreement and publically announced the same on September 10, 2019.

Fairness Opinion

Pursuant to an engagement letter dated effective August 1, 2019 and amended September 5, 2019, Macquarie Capital agreed to render an opinion only to the Special Committee as to the fairness, from a financial point of view, to MAXIM of the financial terms pursuant to which MAXIM would borrow up to \$75 million under the Loans to develop and commission M2 and for other general corporate purposes (the "**Transaction**"). Macquarie Capital was not engaged in or involved in the Corporation's evaluation of various financing alternatives and assumed that the Corporation's process in that regard was appropriate.

On August 9, 2019, the Special Committee met with senior management of MAXIM and BLG, counsel to the committee, to review the terms of the proposed Transaction. At such meeting, Macquarie Capital provided the Special Committee with its verbal opinion that, based on and subject to the matters considered by Macquarie Capital, the financial terms of the proposed Transaction (as contemplated in the Financing Proposal and draft definitive agreements for the Loans available at such time) were fair, from a financial point of view, to MAXIM, which verbal opinion was subject to the assumptions, limitations and qualifications to be set forth in its written Fairness Opinion.

During the period from August 9, 2019 to September 9, 2019, the Corporation, with the assistance and supervision of representatives of the Special Committee, the Lenders and their respective advisors negotiated the Financing Proposal and the terms and conditions of the definitive credit agreements for the Loans. During this same period, the Special Committee provided Macquarie Capital with drafts of the term sheet reflecting the Financing Proposal and the definitive credit agreements for the Loans on an ongoing basis, to facilitate the delivery of Macquarie Capital's written Fairness Opinion. On September 5, 2019, the Special Committee amended the engagement letter with Macquarie Capital to provide for its updated opinion as to the fairness of the financial terms of the Transaction, from a financial point of view, to MAXIM based on the final term sheet reflecting the Financing Proposal and near-final drafts of the definitive credit agreements for the Loans made available to Macquarie Capital up to the date of its Fairness Opinion. Prior to its September 9, 2019 meeting, the Special Committee provided Macquarie Capital with the final term sheet reflecting the Financing Proposal, and near-final drafts of a definitive credit agreement for the Construction Loan, the Convertible Loan Credit Agreement and the Information Circular and other requested materials in order for Macquarie Capital to update its August 9, 2019 verbal opinion and to facilitate the expected delivery of its written Fairness Opinion.

On September 9, 2019, Macquarie Capital provided the Special Committee with its updated verbal opinion that, based on and subject to the matters considered by Macquarie Capital, the financial terms of the Transaction were fair, from a financial point of view, to MAXIM, subject to the assumptions, limitations and qualifications to be set forth in its written Fairness Opinion and involved consideration, among other things deemed appropriate in Macquarie Capital's professional judgement, of the following:

- the term sheet reflecting the final Financing Proposal dated September 3, 2019 between the Lenders and MAXIM, as presented to Macquarie Capital;
- drafts of the definitive credit agreements for the Loans, presented to Macquarie Capital up to the date of the Fairness Opinion;
- certain financial information of MAXIM, including but not limited to, the audited annual financial statements of MAXIM for the year ended December 31, 2018, as well as the unaudited interim financial statements of MAXIM for the interim period from January 1, 2019 to June 30, 2019;
- certain publically disclosed securities filings of MAXIM, including but not limited to, news releases, material change reports and the annual information form of MAXIM for the year ended December 31, 2018;
- the EPC Contract filed on SEDAR as of September 6, 2019;
- certain internal financial information of MAXIM, and financial and operational analysis, projections and models prepared by, or on behalf of MAXIM relating to MAXIM's business;
- historical and forecast commodity prices, and consideration of the impact of various commodity pricing assumptions on the business, prospects and financial forecasts of MAXIM;
- discussions with MAXIM management;
- various reports published by equity research analysts and industry sources with respect to MAXIM that Macquarie Capital considered relevant;

- trading, ownership and liquidity in the MAXIM shares;
- financial positioning of MAXIM among its peers;
- the current state of Canadian financial markets;
- information with respect to selected debt and equity financings Macquarie Capital considered relevant;
- cost of capital considerations for MAXIM; and
- other information, analysis, investigations and discussions as Macquarie Capital considered relevant and appropriate in the circumstances.

The Special Committee presented its determination and recommendations to the Board on September 10, 2019 in anticipation of receiving Macquarie Capital's written Fairness Opinion (to be dated September 9, 2019, which was subsequently provided to the Special Committee on September 12, 2019), a copy of which is set forth in Schedule "B" to this Information Circular.

Macquarie Capital was not asked to prepare and has not prepared a formal valuation or appraisal of the securities, liabilities (contingent or otherwise) or assets of MAXIM or any of its affiliates, has not been furnished with any such valuations or appraisals, and has not evaluated the solvency or fair value of MAXIM, whether under any applicable laws relating to bankruptcy, insolvency or similar matters, or otherwise, and the Fairness Opinion is not to be construed as such. The Fairness Opinion is not, and should not be construed as, advice as to the price at which the securities of MAXIM may trade at any time (whether before or after completion of the Transaction) or to the future financial viability or prospects of MAXIM, including, without limitation, MAXIM's ability to arrange future financing or repay the Loans.

The terms of the engagement letter between MAXIM and Macquarie Capital, as amended, provide that Macquarie Capital will receive a fixed fee in consideration for the preparation and delivery of the Fairness Opinion, regardless of whether the Transaction is completed and regardless of the conclusions reached therein. Macquarie Capital is also to be reimbursed for its reasonable out-of-pocket expenses. Further, MAXIM has agreed to indemnify Macquarie Capital, and certain related parties, against certain liabilities and other items that might arise out of or related to its engagement.

The Fairness Opinion is necessarily based upon financial, economic and other market conditions as they existed and can be evaluated on the date thereof and the conditions and prospects, financial and otherwise, of MAXIM, as publicly disclosed, and as they have been represented to Macquarie Capital. In Macquarie Capital's analyses and in connection with preparing the Fairness Opinion, Macquarie Capital made numerous assumptions with respect to industry performance, general business and economic conditions and other matters, many of which are beyond the control of any party. Any changes thereto may affect the Fairness Opinion, and Macquarie Capital reserves the right to change, withdraw or supplement the Fairness Opinion in such event or in the event that subsequent developments impact the Fairness Opinion. In rendering the Fairness Opinion, Macquarie Capital considered and reviewed, among other things, the draft terms of the Construction Loan and the Convertible Loan made available to Macquarie Capital up to the date of its Fairness Opinion, potential dilution associated with the conversion of the Convertible Loan, management prepared forecasts and budgets and various financial analyses and information, as well as a comparison to various precedent transactions.

The full text of the Fairness Opinion which sets forth, among other things, the assumptions made, information reviewed, matters considered and limitations on the scope of review undertaken, is attached as Schedule "B" to this Information Circular. The Fairness Opinion was provided to the Special Committee for its exclusive use only in considering the Transaction and may not be used or relied upon by any other person without Macquarie Capital's prior written consent. The Fairness Opinion addresses only the fairness of the financial terms of the Transaction, from a financial point of view, to MAXIM and does not address any other aspect of the Transaction. The Fairness Opinion does not constitute advice or a recommendation as to how any Disinterested Shareholder should vote or act on any matters relating to the Loan Resolution. In addition, the Fairness Opinion does not address the overall fairness of the Transaction to the holders of any class of securities, creditors or other constituencies of MAXIM, or the fairness of the amount or nature of any compensation paid or to be paid to any of the officers, directors, consultants or employees of MAXIM in their capacities as such and in connection with the Transaction. **The summary of the Fairness Opinion set forth in this Information Circular is qualified in its entirety by reference to the full text of the Fairness Opinion. Shareholders are urged to read the Fairness Opinion carefully and in its entirety.**

Risk Factors

Risks Relating to MAXIM

Whether or not the Convertible Loan is approved, MAXIM will continue to face many of the risks that it currently faces with respect to its business and affairs including without limitation risks associated with the construction and commissioning of M2. Certain of these risk factors are disclosed under the heading "*Risk Factors*" in the Corporation's annual information form for the year ended December 31, 2018 and are available for review under the Corporation's profile on the SEDAR website at www.sedar.com.

Leverage and Borrowing Risk

The Corporation's leverage will increase as a result of the Loans. Based on the 12-month period ended June 30, 2019 the Corporation would have pro forma debt, as a percentage of debt and Shareholders' equity, of approximately 34% (assuming the full draw down of the Convertible Loan, the full repayment of the Construction Loan and the full draw down of the Bank Loan). The Corporation's indebtedness could adversely affect its financial condition and results of operations, which may prevent the Corporation from fulfilling its obligations under its indebtedness. The Corporation's maintenance of increased levels of debt could adversely affect its financial condition and results of operations and could adversely affect its flexibility to take advantage of corporate opportunities. The Corporation's high degree of leverage could have adverse consequences for the Corporation, including:

- limiting the Corporation's ability to obtain additional financing for working capital, capital expenditures, development, debt service requirements, acquisitions and general corporate or other purposes;
- restricting the Corporation's flexibility and discretion to operate its business;
- requiring a substantial portion of the Corporation's cash flows from operating activities to be dedicated to debt;
- service payments, including the payment of interest on its indebtedness and fees associated with the Loans, thereby reducing the amount of cash flow available for working capital, capital expenditures, acquisitions, future business opportunities and other general corporate purposes;
- limiting the Corporation's ability to adjust to changing market conditions and limiting the Corporation's flexibility in planning for and reacting to changes in the industry in which it competes;
- increasing the Corporation's vulnerability to general adverse economic and industry conditions; and
- increasing the Corporation's cost of borrowing.

The Corporation's ability to service its increased debt will depend upon, among other things, the Corporation's future financial and operating performance, which will be affected by prevailing economic conditions, commodity prices, interest rate fluctuations and financial, business, regulatory and other factors, including successful future operations at M2, some of which are beyond the Corporation's control. If the Corporation's operating results are not sufficient to service its current or future indebtedness, the Corporation may be forced to take actions such as reducing or delaying business activities, investments or capital expenditures, selling assets, restructuring or refinancing the Corporation's debt, or seeking additional equity capital.

Additionally, as secured creditors of the Corporation, the Lenders may be able to exercise certain rights, as creditors of the Corporation, in the event of default under the Construction Loan, or if effective, the Convertible Loan. Such rights may entitle the Lenders to the assets and properties of the Corporation in the event of a realization process, which rights will rank in priority to any rights of Shareholders to such assets and properties. The interests of the Lenders and the other Shareholders will be divergent in such situations.

Upon \$75 million in aggregate principal indebtedness under the Convertible Loan, including accrued but unpaid interest thereon that has been capitalized, having been converted into Common Shares, such conversion right expires. The Lenders will have no further right to convert any other amount of indebtedness under the Convertible Loan, including amounts drawn on a revolving basis or otherwise in excess of \$75 million, into Common Shares following the issuance of a total of 39,473,684 Common Shares to the Lender

pursuant to the exercise of their conversion right. There can be no assurance that all indebtedness under the Convertible Loan will be extinguished through the issuance of Common Shares to the Lenders.

Inability to Obtain Financing to Build and Commission M2

In order for the Corporation to draw any funds under the Convertible Loan, Disinterested Shareholder approval for the Convertible Loan must be obtained. There can be no assurance that the Corporation will receive Disinterested Shareholder approval for the Convertible Loan and, if it does not obtain such approval, then it may not have sufficient funding to build and commission M2. Further, if Disinterested Shareholder approval is not obtained for the Convertible Loan, there can be no assurance that the Corporation will be able to negotiate or enter into any alternative financing arrangements for sufficient funds to complete M2. It is a term of the EPC Contract that MAXIM shall provide the Contractor proof that MAXIM has entered into binding financing arrangements to provide sufficient funds for the construction of M2 within 60 days of entering into the EPC Contract. In the event such notice is not provided within such period, the Contractor retains the right to suspend work on M2 or terminate the EPC Contract. The lack of adequate financing arrangements may cause defaults under the EPC Contract, which may lead to additional liabilities of the Corporation thereunder, and may prevent MAXIM from completing M2 which will affect the Corporation's ability to generate reliable or significant funds from operations, due to the current status of the Corporation's operating assets (including HR Milner). Additionally, MAXIM would still be liable for its obligations under (among other things) the Construction Loan, and, without the ability to generate significant cash flow (from M2 or otherwise) may not be able to meet its obligations thereunder or its other obligations in the ordinary course. See "*Risk Factors - Leverage and Borrowing Risk*". Such events may have a material adverse effect on the business and prospects of MAXIM.

Shareholders May Suffer Significant Dilution

The conversion of the principal indebtedness under the Convertible Loan, if approved, can occur at any time during the term of the Convertible Loan, or within 10 business day of receipt by the Lenders from the Corporation of a notice of repayment by the Corporation of borrowed amounts under the Convertible Loan Credit Agreement. Each of the Lenders may, but are not obligated to, exercise their right to convert up to \$75 million of such indebtedness to Common Shares pursuant to the terms of the Convertible Loan Credit Agreement. There can be no assurance that the principal indebtedness under the Convertible Loan will be converted to Common Shares.

If the Lenders exercise their conversion rights under the Convertible Loan, other Shareholders' equity ownership in the Corporation will be diluted by the issuance of Common Shares upon the exercise of such conversion rights, which dilution will be significant. Based on the Lenders having equal interests the Convertible Loan, and assuming each Lender exercises such right in full, any Common Shares issuable on conversion of the Convertible Loan would be issuable as to 50% to Alpine and 50% to Prairie Merchant. Based on this and assuming the full \$75 million principal amount of the Convertible Loan is drawn and converted into Common Shares, Disinterested Shareholders' percentage ownership of the Common Shares will be diluted by 43%. See also "*Risk Factors - Significant Shareholders*".

Significant Shareholders

Mr. Chernoff currently owns or controls approximately 26.4% of the outstanding Common Shares and Mr. Wilson currently owns or controls approximately 26.2% of the outstanding Common Shares. If the Convertible Loan is converted in full by each Lender, then each such person's direct or indirect ownership percentage in the Corporation will increase and this increase may be significant. For instance, Mr. Chernoff would own or control approximately 36.5% of the outstanding Common Shares and Mr. Wilson would own or control approximately 36.4% of the outstanding Common Shares assuming the Convertible Loan is fully drawn and converted into Common Shares (based on the number of outstanding Common Shares as of the date of this Information Circular after giving account to the conversion). See "*Matters to be Acted Upon at the Meeting – MI 61-101*". If such person's ownership percentage increases significantly as a result of the conversion of the Convertible Loan, such persons may have, subject to applicable law, the ability to determine the outcome of certain matters submitted to the Shareholders for approval in the future, including the election and removal of directors, amendments to the Corporation's corporate governing documents and certain business combinations. The Corporation's interests and those of its controlling Shareholders may at times conflict, and this conflict might be resolved against the Corporation's interests. The concentration of control in the hands of a significant Shareholders may impact the potential for the initiation, or the success, of an unsolicited bid for the Corporation's securities.

Regulatory Regimes

MAXIM is exposed to risks in potential legislation that have yet to be enacted. Management has assessed that the most significant risks in potential future legislation are greenhouse gas stringency and, more remotely, legislation that phases out natural gas-fired generation entirely, similar to the regulatory actions taken in recent years surrounding coal-fired generation.

PARTICULARS OF OTHER MATTERS TO BE ACTED UPON

Management is not aware of any other matters to come before the Meeting other than those set out in the Notice of Meeting. If other matters come before the Meeting, it is the intention of the individuals named in the form of proxy to vote the same in accordance with their best judgment in such matters.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

Except as set forth herein, no person who has been a director or executive officer of the Corporation at any time since the beginning of the last financial year, nor any proposed nominee for election as a director of the Corporation, nor any associate or affiliate of any of the foregoing, has any material interest, directly or indirectly, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as set forth herein, there were no material interests, direct or indirect, of any informed person of the Corporation, as that term is defined in National Instrument 51-102 - *Continuous Disclosure Obligations* of the Canadian Securities Administrators, any proposed director of the Corporation, or any associate or affiliate of any informed person or proposed director, in any transaction since the commencement of the Corporation's last completed financial year or in any proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries.

OTHER INFORMATION

Market for Securities

The Common Shares are listed and posted for trading on the TSX under the symbol "MXG". The following table sets out the monthly high and low closing prices and the total monthly trading volumes for the indicated periods:

2019	High	Low	Volume
March	2.11	1.91	451,558
April	2.00	1.93	106,202
May	2.00	1.85	118,466
June	1.98	1.78	81,694
July	1.91	1.85	43,079
August	1.91	1.75	305,509
September (1 to 12)	1.84	1.56	46,755

The closing price of the Common Shares on the TSX on September 12, 2019, being the last trading day prior to the date of this Information Circular, was \$1.76. The closing price of the Common Shares on the TSX on August 26, 2019, being the last trading day prior to the public announcement of the EPC Contract, was \$1.86. The closing price of the Common Shares on the TSX on September 10, 2019, being the last trading day prior to the public announcement of the Construction Loan and Convertible Loan, was \$1.78.

Prior Purchases and Sales

MAXIM has not issued any securities during the twelve months preceding the date of this Information Circular, other than pursuant to the grant of stock options of MAXIM as follows:

- the issuance of 298,617 stock options to purchase Common Shares on October 4, 2018, each having an exercise price of \$2.35;
- the issuance of 500,000 stock options to purchase Common Shares on December 1, 2018, each having an exercise price of \$2.11;
- the issuance of 25,000 stock options to purchase Common Shares on January 14, 2019, each having an exercise price of \$2.11;
- the issuance of 60,000 stock options to purchase Common Shares on January 16, 2019, each having an exercise price of \$2.10;
- the issuance of 181,571 stock options to purchase Common Shares on April 13, 2019, each having an exercise price of \$1.98;

- the issuance of 581,945 stock options to purchase Common Shares on June 4, 2019, each having an exercise price of \$1.93;
- the issuance of 15,000 stock options to purchase Common Shares on June 10, 2019, each having an exercise price of \$1.85; and
- the issuance of 16,667 stock options to purchase Common Shares on July 8, 2019, each having an exercise price of \$1.88.

During the twelve months preceding the date of this Information Circular, MAXIM has acquired, for cancellation, an aggregate of 764,056 Common Shares pursuant to the terms of the normal course issuer bids MAXIM has had in effect during such period at an average weighted acquisition price of \$2.02 per Common Share.

Ownership of Securities by Directors and Officers

The names, number of and the percentage of outstanding Common Shares held by each Board member and officer of the Corporation and their positions with the Corporation are set forth below.

Name	Position and Office Presently Held	No. of Common Shares Beneficially Owned, Controlled or Directed, Directly, or Indirectly (% of total)
M. Bruce Chernoff	CEO and Chairman of the Board	13,826,050 (26.4%)
W. Brett Wilson	Director and Vice-Chairman of the Board	13,724,486 (26.2%)
Wiley Auch	Director	1,500 (less than 0.1%)
Johann Polz	Director	38,107 (less than 0.1%)
Brad Wall	Director	Nil (0%)
Michael Mayder	President and Chief Financial Officer	4,540 (less than 0.1%)
Robert (Bob) Emmott	Executive Vice President and Chief Operating Officer	Nil (0%)
Rob Watson	Vice President, Canadian Facilities	8,352 (less than 0.1%)
Kyle Mitton	Vice President, Corporate Development	21,000 (less than 0.1%)
Kim Karran	Corporate Secretary and Senior HR Advisor	2,812 (less than 0.1%)

AUDITOR

The auditor of the Corporation is KPMG LLP. KPMG LLP is independent of the Corporation within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Alberta.

ADDITIONAL INFORMATION

Additional financial information is provided in the Corporation's audited financial statements and management's discussion and analysis for the most recently completed fiscal year ended December 31, 2018. The Corporation will provide to any person upon request, the Corporation's audited consolidated financial statements and related management's discussion and analysis contained for the year ended

December 31, 2018, together with the report of the auditors thereon, and one copy of any of the Corporation's interim consolidated financial statements and related management's discussion and analysis subsequent to such annual audited consolidated financial statements and related management's discussion and analysis and a copy of this Information Circular as well as any document incorporated by reference herein. These documents can also be obtained free of charge under the Corporation's profile on the SEDAR website at www.sedar.com.

DIRECTORS' APPROVAL

The contents of this Information Circular and its sending to the Shareholders has been approved by the Board.

DATED at Calgary, Alberta this 13th day of September, 2019.

**BY ORDER OF THE BOARD OF DIRECTORS OF MAXIM
POWER CORP.**

(signed) "Michael R. Mayder"

Michael R. Mayder
President and Chief Financial Officer

CONSENT OF MACQUARIE CAPITAL MARKETS CANADA LTD.

To: The Directors of MAXIM Power Corp.

We refer to the written fairness opinion dated September 9, 2019 (the "**Fairness Opinion**"), which we prepared for the Special Committee of the Board of Directors of MAXIM Power Corp. ("**MAXIM**") in connection with the Transaction (as defined in MAXIM's management information circular and proxy statement dated September 13, 2019 (the "**Information Circular**")).

We consent to the inclusion in the Information Circular of the Fairness Opinion, a summary of the Fairness Opinion and references to our firm name and the Fairness Opinion in the Circular. In providing such consent, we do not intend that any person other than the Special Committee of the Board of Directors of MAXIM shall rely upon the Fairness Opinion.

Macquarie Capital Markets Canada Ltd.

Calgary, Alberta
September 13, 2019

SCHEDULE "A"

LOAN RESOLUTION

"BE IT RESOLVED, as an ordinary resolution of the Disinterested Shareholders of MAXIM Power Corp. (the "**Corporation**") that:

1. the Corporation's borrowing of up to \$75 million under a one-year, 12%, revolving secured convertible loan (the "**Convertible Loan**") from Alpine Capital Corp. and Prairie Merchant Corporation, as lenders (collectively, the "**Lenders**") and, as borrower, entering into a definitive credit agreement for the Convertible Loan with the Lenders, all as more particularly described in the Corporation's Management Information Circular and Proxy Statement dated September 13, 2019, are hereby authorized, ratified and approved;
2. the Corporation's issuance of up to 39,473,684 common shares in the capital of the Corporation to the Lenders at a price of \$1.90 per common share, in accordance with the terms and conditions of the Convertible Loan, be and is hereby authorized and approved;
3. any officer or director of the Corporation is hereby authorized to execute and deliver all such other documents and to do all acts and things necessary or desirable to give effect to this resolution, the execution of any such document or the doing of any such other act or thing being conclusive evidence of such determination; and
4. notwithstanding that these resolutions have been duly passed by the disinterested shareholders of the Corporation, the board of directors of the Corporation is hereby authorized, at its sole discretion and without further approval of or notice to the shareholders of the Corporation, to determine not to proceed with the Convertible Loan and revoke these resolutions before they are acted on in whole or in part."

SCHEDULE "B"
FAIRNESS OPINION



September 9, 2019

STRICTLY CONFIDENTIAL

The Special Committee of the Board of Directors
of Maxim Power Corp.
1210, 715 - 5th Avenue S.W.
Calgary, Alberta, CANADA T2P 2X6

To the Special Committee of the Board of Directors of Maxim Power Corp. (the “Special Committee”):

Introduction

The Advisory and Capital Markets division of Macquarie Capital Markets Canada Ltd. (“**Macquarie Capital**” or “**we**”) understands that Maxim Power Corp. (the “**Company**”) proposes to enter into definitive loan agreements with Alpine Capital Corp. and Prairie Merchant Corporation, as lenders (collectively, the “**Lenders**”), whereby the Company will borrow from the Lenders: (i) up to \$22.0 million under a one-year, 12.0%, revolving secured loan (the “**Bridge Loan**”); and (ii) subject to the approval of a majority of disinterested shareholders of the Company (“**Shareholders**”), up to \$75.0 million under a one-year, 12.0%, revolving secured convertible loan (the “**Convertible Loan**”; collectively with the Bridge Loan, the “**Loans**”) (the provision of the Loans to the Company, being referred to herein as the “**Transaction**”).

1 THE TRANSACTION

The Company has been developing the Milner Two Facility (the “**Project**”) during the preceding months, and on August 27, 2019, a wholly owned subsidiary of the Company entered into an engineering, procurement and construction contract to further develop and complete construction of the Project (the “**EPC Contract**”). The EPC Contract requires that the Company secure binding financing arrangements to provide sufficient funds for the construction of the Project within 60 days of the Company entering into the EPC Contract, or the contractor may suspend work on the Project or terminate the EPC Contract. On or about September 10, 2019, the Company anticipates entering into the definitive loan agreements for each of the Bridge Loan and the Convertible Loan. Pursuant to the Transaction, the Lenders will provide the Company with up to \$75.0 million of debt financing to support the continued development of the Project under the EPC Contract, drawing initially on availability under the Loans to fund EPC Contract amounts. The Loans are to have substantially identical terms with respect to security, interest rates and term to maturity, except that the Convertible Loan will be convertible into common shares of the Company (each, a “**Common Share**”) in certain circumstances at the option of each of the Lenders.

The Bridge Loan, as the initial loan facility, is to provide up to \$22.0 million to fund the development of the Project under the EPC Contract. The Convertible Loan, the loan facility subject to disinterested Shareholder approval, is to provide up to \$75.0 million, available: (i) to repay advances under the Bridge Loan, (ii) to further fund the development and completion of the Project under the EPC Contract, and (iii) for general corporate purposes. Outstanding loan amounts under either of the Loans will accrue interest at a rate of 12.0% per annum and will mature on the date that is 12 months from the date of the initial advance under the Bridge Loan (the “**Maturity Date**”). The Lenders may elect to extend the Maturity Date of either of the Loans by six months following receipt of a written request from the Company no later than two months prior to the Maturity Date, subject to the extension conditions of the definitive loan agreement for the applicable Loan. The Lenders have agreed to postpone and subordinate loan amounts outstanding under the Bridge Loan or Convertible Loan, as the case may be, to any senior financing (the “**Senior Financing**”) provided the conditions for Senior Financing are met as described in the definitive loan agreement for the applicable Loan. The Convertible Loan will be convertible into Common Shares, in whole or in part, at each Lender’s option, pursuant to the terms of the definitive loan agreement for the Convertible Loan, at a price per Common Share equal to a 6.0% premium to the 5-day volume weighted average price of the Common Shares on the Toronto Stock Exchange as at the close of trading on the trading day prior to the date on which the Company enters into the definitive credit agreements for the Loans. Notwithstanding that all or any portion of the Convertible Loan that is repaid to the Lenders with Common Shares may subsequently be redrawn by the Company, the maximum aggregate amount of the Convertible Loan that can be converted into Common Shares will be \$75,000,000.

The Company has determined that, (i) as each of the Lenders is a “related party” (as such term is defined under Multilateral Instrument 61-101 - *Protection of Minority Shareholders in Special Transactions* (“**MI 61-101**”)) with respect to the Company, each of the Loans constitutes a “related party transaction” for the purposes of MI 61-101, and (ii) pursuant to each of MI 61-101 and Sections 604(a)(ii) and 607(g) of the TSX Company Manual, the Convertible Loan is subject to approval by a simple majority of disinterested Shareholders. The Company has determined that the Bridge Loan is exempt from the minority shareholder approval requirements of MI 61-101 and, therefore, the Company’s ability to draw funds under the Bridge Loan is not conditional upon the approval of a simple majority of disinterested Shareholders.

The terms of the Transaction, including conditions necessary for the Company to borrow under the Loans, will be contained in the definitive loan agreements for the Loans and will be described in the Company’s management information circular and proxy statement (the “**Circular**”) to be mailed to the Shareholders in connection with the special meeting of the Shareholders (the “**Meeting**”) to be held to consider and, if deemed advisable, to approve the Company’s borrowing of up to \$75.0 million under the Convertible Loan.

2 MACQUARIE CAPITAL’S ROLE

The Company initially contacted Macquarie Capital on July 30, 2019 and formally engaged Macquarie Capital pursuant to an engagement agreement dated August 1, 2019 (the “**Engagement Agreement**”) to provide Macquarie Capital’s opinion to the Special Committee as to the fairness to the Company, from a financial point of view, of the financial terms of the Transaction (the “**Opinion**”). Effective September 5, 2019, Macquarie Capital and the Company entered into an amendment to the Engagement Agreement pursuant to which Macquarie Capital agreed to update its previous verbal opinion. In consideration for the preparation and delivery of the Opinion, the Company will pay Macquarie Capital a

fixed fee that is not contingent upon the conclusions reached herein or completion of the Transaction and will reimburse Macquarie Capital for its reasonable expenses. In addition, pursuant to the Engagement Agreement, Macquarie Capital and its affiliates and their respective directors, officers, employees, agents and consultants are to be indemnified by the Company under certain circumstances from and against certain liabilities arising in connection with the Opinion and the professional services rendered to the Company and the Special Committee.

3 CREDENTIALS OF MACQUARIE CAPITAL

Macquarie Capital is a wholly owned subsidiary of the Macquarie Group which is a diversified international provider of specialist investment, advisory, trading and financial services in select markets around the world. Macquarie Capital is a member of the Investment Industry Regulatory Organization of Canada (“**IIROC**”) and a member of the Toronto Stock Exchange and the TSX Venture Exchange. Macquarie Capital’s advisory services include the areas of mergers, acquisitions, divestments, restructurings, fairness opinions and valuations. The Opinion expressed herein is Macquarie Capital’s and has been approved by senior corporate and financial advisory professionals of Macquarie Capital who have been involved in a number of transactions involving the merger, acquisition, divestiture and valuation of publicly traded and private Canadian issuers and in providing fairness opinions in respect of such transactions.

4 INDEPENDENCE OF MACQUARIE CAPITAL

None of Macquarie Capital, its affiliates or associates, is an insider, associate or affiliate (within the meanings attributed to those terms in the *Securities Act* (Alberta)), or a related entity of the Company, the Lenders or any of their respective associates or affiliates (collectively, the “**Interested Parties**”). Macquarie Capital is not acting as an advisor, financial or otherwise, to any Interested Party in connection with the Transaction other than to the Company pursuant to the Engagement Agreement, or in connection with any other transaction. Other than as disclosed herein, Macquarie Capital has not provided any financial advisory or financing services to an Interested Party or otherwise had a material financial interest in any transaction involving an Interested Party, in each case, within the past two years

There are no understandings, agreements or commitments between Macquarie Capital and any Interested Party with respect to any future business dealings; however, Macquarie Capital may in the future in the ordinary course of business seek to perform financial advisory services for any one or more of them from time to time.

Macquarie Capital acts as a trader and dealer, both as principal and agent, in Canadian financial markets and, as such, may have, today, or in the future, positions in the securities of any Interested Party, and from time to time, may have executed or may execute transactions on behalf of any Interested Party or other clients for which it received or may receive compensation. In addition, as an investment dealer, Macquarie Capital conducts research on securities and may, in the ordinary course of its business, provide research reports and investment advice to its clients on issues and investment matters, including with respect to an Interested Party or the Transaction.

5 SCOPE OF REVIEW

In connection with rendering this Opinion, Macquarie Capital has reviewed and relied upon, or carried out, among other things, the following:

- (a) the audited annual financial statements of the Company as at and for the years ended December 31, 2018 and December 31, 2017, together with management's discussion & analysis of financial condition and operating results for each such financial period and management's certifications of annual filings in respect thereof (in each case, as publicly filed by the Company with applicable securities regulatory authorities);
- (b) the unaudited financial statements of the Company as at and for the interim periods ended March 30, 2018, June 30, 2018, September 30, 2018, March 31, 2019, June 30, 2019, together with management's discussion and analysis of financial condition and operating results for each such interim periods and management's certifications of interim filings in respect thereof (in each case, as publicly filed by the Company with applicable securities regulatory authorities);
- (c) the management information circular of the Company in respect of the annual meeting of Shareholders held on May 21, 2019;
- (d) the annual information form of the Company dated March 18, 2019 for the year ended December 31, 2018;
- (e) the news release dated August 27, 2019 and corresponding material change report dated September 6, 2019, with respect to the execution of the EPC Contract;
- (f) the news release dated August 7, 2019 with respect to the Company's Q2 2019 results, an update on the Project, and an update on the Alberta capacity market;
- (g) the news release dated May 16, 2019 with respect to approval from the Toronto Stock Exchange to proceed with a normal course issuer bid;
- (h) the news release dated May 13, 2019 with respect to the appointment of Brad Wall to the Board of Directors;
- (i) the news release dated May 9, 2019 with respect to the Company's Q1 2019 results and an update on the Project;
- (j) the news release dated April 4, 2019 with respect to the Toronto Stock Exchange's approval to invoke automatic purchases of Common Shares under the Company's outstanding normal course issuer bid;
- (k) the news release dated March 18, 2019 with respect to the Company's Q4 2018 results and an update on the current Milner facility;
- (l) the news release dated November 23, 2018 with respect to the appointment of Robert Emmott as Executive Vice President and Chief Operating Officer, M. Bruce Chernoff as Chief Executive Officer, and W. Brett Wilson as Vice Chairman of the Board of Directors;
- (m) the news release dated November 8, 2018 with respect to the Company's Q3 2018 results and the resumption of operations at the current Milner facility;

- (n) the material change report dated September 5, 2018 relating to the closing of an agreement to purchase a General Electric combustion turbine generator and certain related equipment for \$20.3 million;
- (o) the news release dated September 5, 2018 with respect to the closing of an agreement to purchase a General Electric combustion turbine generator and certain related equipment for \$20.3 million;
- (p) the news release dated August 9, 2018 with respect to the Company's Q2 2018 results and the Company's intent to restart the current Milner facility;
- (q) the news release dated May 8, 2018 with respect to strategic alternatives for the Milner site;
- (r) the news release dated May 7, 2018 with respect to the Company's Q1 2018 results and the Company's intent to restart the current Milner facility;
- (s) the news release dated March 15, 2018 with respect to the Company's Q4 2017 results, Alberta Utilities Commission Loss Factor Determination, commentary on the current Milner facility being temporarily suspended, Alberta power market transition, strategic review, and potential growth initiatives;
- (t) the EPC Contract filed on SEDAR as of September 6, 2019;
- (u) certain internal financial information, and financial and operational analysis, projections and models prepared by, or on behalf of the Company, relating to its business;
- (v) a certificate of representation as to certain factual matters dated the date hereof, addressed to Macquarie Capital, provided by senior officers of the Company;
- (w) a certificate of representation as to certain factual matters dated the date hereof, addressed to Macquarie Capital, provided by the Lenders;
- (x) a review of historical and forecast commodity prices, and consideration of the impact of various commodity pricing assumptions on the business, prospects and financial forecasts of the Company;
- (y) discussions with management of the Company with regard to, among other things, the business, past and current operations, quality of assets, financial projections, current financial condition, future potential and environmental matters of the Company;
- (z) various reports published by equity research analysts and industry sources with respect to the Company that we considered relevant; and
- (aa) other information relating to the business and financial condition of the Company.

In addition to the information detailed above, Macquarie Capital has further reviewed, considered and relied upon, among other things, the following:

- (a) the Financing Term Sheet, presented to Macquarie Capital, between the Lenders and the Company dated September 3, 2019;

- (b) drafts of the definitive loan agreements for the Loans, presented to Macquarie Capital, between the Lenders and the Company up to the date hereof;
- (c) a draft of the Circular;
- (d) information with respect to selected debt and equity financings Macquarie Capital considered relevant;
- (e) a due diligence questionnaire with senior management of the Company; and
- (f) other information, analysis, investigations and discussions as Macquarie Capital considered relevant and appropriate in the circumstances.

Macquarie Capital did not meet with the auditors of the Company and has assumed the accuracy and fair presentation of the audited and unaudited financial statements of the Company, and, as applicable, the reports of the auditors thereon.

This Opinion has been prepared in accordance with the Disclosure Standards for Formal Valuations and Fairness Opinions of IIROC, but IIROC has not been involved in the preparation or review of this Opinion.

Macquarie Capital has not, to its knowledge, been denied access to any information requested.

6 ASSUMPTIONS AND LIMITATIONS

We have relied upon and have assumed the completeness, accuracy and fair representation of all financial and other information, data, documents, materials, advice, opinions and representations obtained by us, including information relating to the Company and the Lenders provided to us by or on behalf of the Company and the Lenders and their respective affiliates or otherwise pursuant to the Engagement Agreement, and this Opinion is conditional upon such completeness, accuracy, and fairness. We have not attempted to verify independently the accuracy or completeness of any such information, data, advice, opinions or representations. Senior officers of the Company have represented to Macquarie Capital, in a certificate dated as at the date hereof, among other things, that to the best of their knowledge after due inquiry, with the exception of certain forecasts, projections or estimates, (i) the information, data, opinions, representations and other materials (oral or written) (collectively referred to as the “**Information**”) provided to Macquarie Capital and its affiliates by or on behalf of the Company was at the dates the Information was provided to Macquarie Capital and is at the date hereof true, complete and correct and not misleading in light of the circumstances under which they were made or presented and did not and do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the Information not misleading in light of the circumstances under which the Information was provided; and (ii) since the dates on which the Information was disclosed or provided to Macquarie Capital, there has been no material change (as such term is defined in the *Securities Act* (Alberta)) or new material fact, financial or otherwise, relating to the Lenders, the Transaction, the financial condition, assets, liabilities (contingent or otherwise), business, affairs, operations or prospects of the Company or any of its subsidiaries, associates or affiliates (other than the Lenders) and there has been no change in any material fact or in any material element of any of the Information, or new material fact, any of which is of a nature as to render any portion of the Information untrue or misleading in any material respect or which could reasonably be

expected to have a material effect on this Opinion. The Lenders have also provided certain similar representations to Macquarie Capital in a certificate dated as at the date hereof.

We have also assumed that the transaction process undertaken by the Company was appropriate. With respect to any portions of the Information provided to Macquarie Capital which constitute forecasts, projections or estimates, we have assumed that such forecasts, projections or estimates: (i) were prepared on a basis reflecting the best currently available estimates and reasonable judgment of management of the Company; (ii) were prepared on a basis consistent in all material respects with the accounting policies applied in the most recent audited consolidated financial statements of the Company; (iii) were prepared using the assumptions identified therein, which, in the reasonable opinion of the Company, are (or were at the time of preparation and unless otherwise disclosed to Macquarie Capital, remain) reasonable in the circumstances and the probable course of action to be taken in the period covered; and (iv) are not misleading in any material respect in light of the assumptions used or in light of any developments since the time of their preparation which were disclosed or provided to Macquarie Capital. We express no view as to any such forecasts, projections or estimates or the assumptions on which any of them are based.

For purposes of rendering this Opinion, we have assumed that the representations and warranties of each party contained in the definitive agreements for the Loans will be true and correct, that each party will perform all of the covenants and agreements required to be performed by it under such agreements without waiver or amendment. Certain elements of the Transaction (including the approval of a majority of the disinterested Shareholders required in order for the Company to borrow under the Convertible Loan) are subject to a number of conditions outside the control of any party involved in the Transaction and Macquarie Capital has assumed that any and all conditions precedent, contractual or otherwise, to the completion of the Transaction can be satisfied in due course and that all consents, permissions, exemptions or orders of relevant regulatory authorities will be obtained, without adverse conditions or qualification. In rendering this Opinion, we express no view as to the likelihood that the conditions respecting the Transaction will be satisfied or waived or that the Transaction will be implemented within the time frame indicated in the Circular.

In addition, we have assumed that neither the Company nor the Lenders will incur any material liability or obligation (except pursuant to the definitive agreement for the applicable Loan), or lose any material rights, as a result of completion of the Transaction and that the procedures being followed to implement the Transaction are valid and effective, and in accordance with applicable laws and that the disclosure of the Company and the Lenders in any disclosure documents will: (i) be true and correct in all material respects, (ii) not contain any misrepresentation (as defined in the *Securities Act* (Alberta)), and (iii) comply with all requirements under applicable law.

This Opinion is rendered as at the date hereof on the basis of market, economic, financial and general business and other conditions prevailing, and the Information made available to Macquarie Capital, as at the date hereof. In rendering this Opinion, Macquarie Capital has assumed that there are no undisclosed material facts relating to the Lenders, the Transaction, the financial condition, assets, liabilities (contingent or otherwise), business, affairs, operations or prospects of the Company or any of its subsidiaries, associates or affiliates and there has been no change in any material fact or in any material element of any of the Information, or new material fact. Any changes therein may affect this Opinion and, although we reserve the right to change, withdraw or supplement this Opinion in such event or in the event that subsequent developments affect this Opinion, we disclaim any

obligation to advise any person of any change that may come to our attention or to update, revise or reaffirm this Opinion after the date hereof.

In its analyses and in connection with the preparation of this Opinion, Macquarie Capital made numerous assumptions with respect to industry performance, general business, market and economic conditions and other matters, many of which are beyond the control of any party involved in the Transaction. While in the opinion of Macquarie Capital, our assumptions used in preparing this Opinion are reasonable in the current circumstances, some or all of these assumptions may prove to be incorrect.

Macquarie Capital believes that the analyses and factors considered in arriving at this Opinion must be considered as a whole and are not amenable to partial analyses or summary description and that selecting portions of the analyses and the factors considered, without considering all factors and analyses together, could create a misleading view of the process employed and the conclusions reached. Any attempt to do so could lead to undue emphasis on any particular factor or analysis. In arriving at this Opinion, Macquarie Capital has not attributed any particular weight to any specific analyses or factor but rather based this Opinion on a number of qualitative and quantitative factors deemed appropriate by Macquarie Capital based on Macquarie Capital's experience in rendering such opinions.

Macquarie Capital has not been asked to pass upon, and expresses no opinion with respect to, any matter other than whether, as of the date hereof, the financial terms of the Transaction are fair, from a financial point of view, to the Company. Macquarie Capital has not been engaged to prepare, and has not prepared, a valuation or appraisal of the Company or any of its assets, securities or liabilities (contingent or otherwise), nor have we been furnished with any such valuations appraisals, nor have we evaluated the solvency or fair value of the Company, whether under any applicable laws relating to bankruptcy, insolvency or similar matters, or otherwise, and this Opinion should not be construed as such. Furthermore, this Opinion is not, and should not be construed as, an opinion or advice as to the price at which the Common Shares may trade at any date (whether before or after the completion of the Transaction) or to the future financial viability or prospects of the Company, including, without limitation, the Company's ability to arrange future financing or repay the Loans. In addition, this Opinion does not address the overall fairness of the Transaction to the holders of any class of securities, creditors or other constituencies of the Company, or the fairness of the amount or nature of any compensation to be paid or payable to any of the officers, directors, consultants or employees of the Company in their capacities as such and in connection with the Transaction. This Opinion does not address the relative merits of the Transaction as compared to other business or financial strategies or transactions that might be available to the Company or any other party to the Transaction, nor does it address the underlying business decision of the Company, or any other party to the Transaction, to engage in the Transaction. We were not engaged to review any legal, regulatory, tax or accounting aspects of the Transaction and, accordingly, express no view thereon and have assumed the accuracy and completeness of assessments by the Company and its advisors with respect to legal, regulatory, tax and accounting matters. We were not requested to solicit, and did not solicit, interest from other parties with respect to the Transaction, or any business combination transaction with, the Company or any other alternative transaction and did not consider or develop any potential alternatives to the Transaction.

7 CONCLUSION

Based upon and subject to the foregoing and such other matters as Macquarie Capital considers relevant, it is Macquarie Capital's opinion that, as of the date hereof, the financial terms of the Transaction are fair, from a financial point of view, to the Company.

This Opinion is not, and is not intended to be, a recommendation to Shareholders as to how to vote at the Meeting. This Opinion has been provided solely for the use of the Special Committee for the purposes of its consideration of the Transaction and may not be used or relied upon by any other person or for any other purpose without the express prior written consent of Macquarie Capital. This Opinion shall not be reproduced, disseminated, quoted from or referred to (in whole or in part) and no public reference to Macquarie Capital Markets Canada Ltd. or its affiliates relating to the Transaction or this Opinion shall be made without the express prior written consent of Macquarie Capital, except that we consent to the inclusion of the complete text of this Opinion and to appropriate references to, or summaries of, this Opinion, subject to our review to our satisfaction of the final form and context of such disclosures in the Circular, or other form of document(s) required to be mailed to Shareholders in connection with the Transaction.

Yours sincerely,

A handwritten signature in cursive script that reads "Macquarie Capital Markets Canada Ltd." The signature is written in black ink and is enclosed within a thin, light-colored rectangular border.

Macquarie Capital Markets Canada Ltd.