



Suite 1210, 715 – 5 Avenue S.W.  
 Calgary, Alberta, Canada T2P 2X6

Press Line: (403) 750-9305  
 TSX Symbol: MXG

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## Maxim Power Corp. Announces 2017 Second Quarter Financial and Operating Results

**CALGARY, Alberta (August 10, 2017)** – Maxim Power Corp. ("MAXIM" or the "Corporation") announced today the release of financial and operating results for the second quarter ended June 30, 2017. The unaudited condensed consolidated interim financial statements, accompanying notes and Management Discussion and Analysis ("MD&A") will be available on SEDAR and on MAXIM's website on August 10, 2017. All figures reported herein are Canadian dollars unless otherwise stated.

The Financial Highlights below include the results from MAXIM's continuing operations, unless otherwise noted. Refer to MAXIM's unaudited condensed consolidated interim financial statements and MD&A for further details on discontinued operations.

### FINANCIAL HIGHLIGHTS

	Three Months Ended June 30		Six Months Ended June 30	
	2017	2016	2017	2016
<i>(\$ in thousands except per share amounts)</i>				
<b>Revenue</b>	\$ 45	\$ 180	\$ 2,024	\$ 2,063
<b>Net loss attributable to shareholders</b>				
<b>Continuing operations</b>	(10,479)	(6,825)	(14,990)	(16,819)
<b>Discontinued operations</b>	50,431	(1,523)	51,357	462
<b>Total</b>	39,952	(8,348)	36,367	(16,357)
<b>Total per share – basic and diluted</b>	\$ 0.73	\$ (0.15)	\$ 0.67	\$ (0.30)
<b>Total assets</b>	\$ 191,921	\$ 310,674	\$ 191,921	\$ 310,674

### OPERATING RESULTS

During the second quarter of 2017, net loss attributable to shareholders from continuing operations increased compared to the same period in 2016. The change in this financial measure was primarily due to asset impairment charges recognized in intangible assets and property, plant and equipment in 2017. This was partially offset by lower operating costs as a result of the temporary suspension of operations at M1 and recoveries from the final resolution of the cooling tower claims.

During the first six months of 2017 net loss attributable to shareholders from continuing operations decreased compared to the same period in 2016. The change in this financial measure was primarily due to the same factors impacting the second quarter, in addition lower fuel and maintenance costs and realized gains on commodity risk management activities in the first quarter of 2017.

## **SALE OF MAXIM POWER (USA), INC. ("MUSA")**

As previously reported on April 3, 2017, MAXIM announced that it has closed the sale of 100% of its ownership interest in its wholly-owned subsidiary MUSA to an affiliate of Hull Street Energy, LLC. The implied enterprise value was approximately \$106 million USD inclusive of working capital. Net proceeds to MAXIM after accounting for debt and transaction costs were approximately \$84 million USD. After closing costs and reclassification of foreign currency adjustments, MAXIM recognized a gain on sale of \$33.8 million CAD.

MAXIM utilized \$8 million CAD of the net sales proceeds as collateral for letters of credit that are securing potential obligations of the Corporation and will utilize a further \$5 million USD to fulfill obligations under the FERC Settlement agreement previously disclosed on September 26, 2016. The remainder of the proceeds will be held by MAXIM for strategic corporate purposes.

## **MILNER ("M1") GENERATION TEMPORARILY SUSPENDED**

On July 28, 2017, MAXIM temporarily suspended the generation of electricity at M1 following the notice provided to the Alberta Electric System Operator on May 1, 2017. M1 has not generated electricity since April 2017. The decision to temporarily suspend the operations at M1 was due to continued record low Alberta power prices, which have undermined profitability for a prolonged period. Laying-up M1 operations will result in a 75% reduction of plant staff while operations are suspended. MAXIM is currently maintaining a smaller operating team to undertake maintenance and repairs for a possible resumption of generation as power market conditions improve. A significant improvement in Alberta power prices in the current "energy only market" will be required to justify resuming operations.

## **STRATEGIC REVIEW**

MAXIM continues to own 156 MW of generating capacity in Canada. MAXIM also has power generation development projects totalling up to 1,031 MW (refer to Growth Initiatives section below) and a permitted metallurgical coal development project in Alberta. MAXIM continues to evaluate alternatives for these investments in order to maximize shareholder value. MAXIM will provide updates as these considerations progress.

## **GROWTH INITIATIVES**

MAXIM has four electrical generating development projects in Alberta totalling 1,031 MW of capacity. These projects are at various stages of the permitting phase, with 796 MW having AUC permits and the remainder in the early stage of permitting. The Corporation is currently evaluating the viability of each project in the context of recent regulatory announcements by the Government of Alberta. These regulatory announcements include provision for the transition of Alberta's "energy only" power market to a "capacity market" by 2021. The pace and success of this transition will determine decisions on advancing development of these projects. MAXIM has not made any definitive commitments to the timing or certainty of advancing development of these projects.

MAXIM also owns a metallurgical coal development initiative located north of Grande Cache, Alberta that in turn owns metallurgical coal leases for M14 and M16S ("SUMMIT"). Current estimates for M14 are 18.9 million tonnes of low-mid volatile metallurgical coal reserves with a mine life of 17 years based on the NI 43-101 Technical Report filed on SEDAR on March 21, 2013. M16S is located 30 kilometers northwest of M14 and represents 1,792 hectares or 29% of SUMMIT's total area of coal leases. A NI 43-101 Technical Report has not been prepared for M16S. M14 is permitted for a run-of-mine production rate of up to 1,300,000 tonnes per year. MAXIM has not made any definitive commitments to the timing or certainty of advancing development of this project.

## **About MAXIM**

Based in Calgary, Alberta, MAXIM is an independent power producer, which acquires or develops, owns and operates innovative and environmentally responsible power and power related projects. MAXIM currently owns and operates two power plants in Alberta, having 156 MW of electric generating capacity. MAXIM trades on the TSX under the symbol "MXG". For more information about MAXIM, visit our website at [www.maximpowercorp.com](http://www.maximpowercorp.com).

For further information please contact:

Michael R. Mayder, Senior Vice President, Finance and CFO, (403) 750-9311.

Statements in this release which describe MAXIM's intentions, expectations or predictions, or which relate to matters that are not historical facts are forward-looking statements. These forward-looking statements involve known and unknown risks and uncertainties which may cause the actual results, performances or achievements of MAXIM to be materially different from any future results, performances or achievements expressed in or implied by such forward-looking statements. MAXIM may update or revise any forward-looking statements, whether as a result of new information, future events or changing market and business conditions and will update such forward-looking statements as required pursuant to applicable securities laws.