



Maxim Power Corp. Announces Amendments to Convertible Loan Agreement

CALGARY, Alberta (October 3, 2019) – Maxim Power Corp. ("**MAXIM**" or the "**Corporation**") (TSX: MXG) announced today that it, and certain of its subsidiaries, have entered into an agreement to amend the previously announced \$75 million, one-year, 12% per annum, revolving, secured convertible loan dated September 10, 2019 between the Corporation and those subsidiaries, as borrowers, and the lenders thereto (the "**Convertible Loan**"). The amendments to the Convertible Loan are as follows:

- The conversion price of the Convertible Loan has been increased from \$1.90 per share to \$2.25 per share. The new conversion price represents a 32% premium to the five-day volume-weighted average price ("**VWAP**") of MAXIM's common shares prior to amending the Convertible Loan versus the original conversion price of \$1.90 per share that represented a 6% premium to the five-day VWAP on the date of the Convertible Loan of September 10, 2019.
- The term of the Convertible Loan, which was initially a 12-month term from the date of the initial advance under the Construction Loan (as defined below), with an option of MAXIM to extend the term by six months, has been amended to provide MAXIM an additional option to extend the Convertible Loan for a further six months (for a total extension of 12 additional months), in each case upon MAXIM providing notice no later than two months before the applicable maturity date, subject to satisfaction of certain conditions including payment by MAXIM of an extension fee equal to 0.25% of the total available borrowing amount under the Convertible Loan.

The remaining terms and conditions of the Convertible Loan are unchanged from those described in MAXIM's management information circular and proxy statement dated September 13, 2019 (the "**Information Circular**"). There have been no amendments or changes to the Construction Loan (defined below), also described in the Information Circular.

As previously announced, the lenders in respect of the Convertible Loan are Alpine Capital Corp. ("**Alpine**") and Prairie Merchant Corporation ("**Prairie Merchant**" and together with Alpine the "**Lenders**"). Each of the Lenders is a "related party" of the Corporation pursuant to Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). The Convertible Loan is subject to, among other things, the "minority shareholder approval" requirements under MI 61-101 which require the approval of shareholders of MAXIM, excluding the Lenders and their respective associates and affiliates, and as required by the rules and policies of the Toronto Stock Exchange (the "**TSX**"). MAXIM has scheduled a special meeting (the "**Meeting**") of shareholders for 9:00 am (Calgary time) on October 15, 2019 whereat Disinterested Shareholders (defined below) of MAXIM will be asked to consider a resolution to approve the Convertible Loan (the "**Loan Resolution**").

As further described in the Information Circular, a special committee of independent directors of MAXIM (the "**Special Committee**") has, with the assistance and guidance of its independent legal advisors, reviewed and participated in the negotiation of the Convertible Loan, including the amendments thereto, as well as the previously announced \$22 million one-year, 12%, revolving secured loan between the Corporation, certain of its subsidiaries, and the Lenders (the "**Construction Loan**").

The Special Committee has, subsequent to making its initial recommendations, reviewed and considered the terms of the Convertible Loan, as amended, and has re-affirmed its recommendation to the board of directors of the Corporation (the "**Board**") with respect to the

Convertible Loan, including that the Convertible Loan, as amended, is in the best interests of the Corporation and that shareholders, other than the Lenders (including their associates and affiliates and any other persons required to be excluded in determining approval of the Loan Resolution in accordance with MI 61-101 and the rules of the TSX) (collectively, the "**Disinterested Shareholders**"), vote for the Loan Resolution. The Board, after considering the recommendations of the Special Committee has, among other things, re-affirmed its previous recommendation that the Disinterested Shareholders vote for the Loan Resolution (with Mr. Chernoff and Mr. Wilson abstaining).

The Corporation previously received conditional approval from the TSX for the Convertible Loan, including with respect to the issuance and listing of the Common Shares issuable thereunder. The Corporation has notified the TSX of the above-noted amendments, including a decrease to the number of Common Shares that may be issuable under the Convertible Loan as a result of the increased conversion price (being up to 33,333,334 Common Shares versus up to 39,473,684 Common Shares prior to the amendment). Listing of such Common Shares is subject to meeting TSX listing requirements.

For shareholders who have submitted their proxies or voting instructions to MAXIM in favour of the Loan Resolution and do not wish to change their votes on the matters set forth therein, no further action is required and their votes will be counted at the Meeting for the approval of the Loan Resolution. For shareholders who have already submitted their proxies or voting instructions and wish to change their votes, they must comply with the proxy revocation procedures set forth in the Information Circular. The cut-off time for voting of proxies, including submitting replacement proxies, is 9:00 a.m. (Calgary time) on October 10, 2019. The time limit for the deposit of proxies may be waived by the chair of the Meeting. Shareholders holding their shares through a broker, investment dealer or other intermediary should contact such intermediary without delay if they wish to change their voting instructions.

For more information on the foregoing matters, please see the material change report in respect of the same, which will be filed on SEDAR under MAXIM's profile at www.sedar.com. The amending agreement for the Convertible Loan will be filed by MAXIM on SEDAR under MAXIM's profile at www.sedar.com.

About MAXIM

Based in Calgary, Alberta, Maxim is an Alberta focused independent power producer which currently owns and operates a 150 MW power plant near Grande Cache, Alberta. This plant is nearing the end of its life under federal regulations and is being replaced with a state-of-the-art natural gas-fired plant ("M2") with anticipated nameplate capacity of 204 MW in simple cycle mode. MAXIM has the option in the future to increase the capacity of M2, in conjunction with increasing the overall efficiency of the facility, by upgrading M2 into a combined cycle plant. In addition, MAXIM continues to explore development options for its remaining permitted gas-fired generation capacity in Alberta and permitting of its wind power generation project. MAXIM trades on the TSX under the symbol "MXG". For more information about MAXIM, visit our website at www.maximpowercorp.com.

For further information please contact:

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Note Regarding Forward-Looking Statements

This document contains forward-looking information. This information relates to future events and the Corporation's future performance. All information and statements contained herein that are not clearly historical in nature constitute forward-looking information, and the words "may", "will", "should", "could", "expect", "plan", "intend", "anticipate", "believe", "estimate", "propose", "continue" or the negative of these terms or other comparable terminology are generally intended to identify forward-looking information. Such information represents the Corporation's internal projections, estimates, expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance. This information involves known or unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information.

MAXIM believes that the expectations reflected in this forward-looking information are reasonable; however, undue reliance should not be placed on this forward-looking information, as there can be no assurance that the plans, intentions or expectations upon which they are based will occur. This press release contains forward-looking information concerning, among other things, the date and timing of the Meeting, the business to be conducted at the Meeting and the results of the conversion or partial conversion of the Convertible Loan. The reader is cautioned that such information, although considered reasonable by the Corporation, may prove to be incorrect. Actual results achieved during the forecast period will vary from the information provided in this document as a result of numerous known and unknown risks and uncertainties and other factors. A number of risks and other factors could cause actual results to differ materially from those expressed in the forward-looking information contained in this document including, but not limited to, Disinterested Shareholder approval and regulatory approvals (including TSX).

With respect to forward-looking information contained in this document, the Corporation has made assumptions regarding, among other things: the date and time of the Meeting will not be amended and the timely receipt of any required regulatory approvals (including the TSX). Management of MAXIM has included the above summary of assumptions and risks related to forward-looking information included in this document in order to provide investors with a more complete perspective on the Corporation's future operations. Readers are cautioned that this information may not be appropriate for other purposes.

Readers are cautioned that the foregoing lists of factors are not exhaustive. The forward-looking information contained in this document are expressly qualified by this cautionary statement. The forward-looking information contained herein is made as of the date of this document and the Corporation disclaims any intent or obligation to update publicly any such forward-looking information, whether as a result of new information, future events or results or otherwise, other than as required by applicable Canadian securities laws.