

# GrowMax Resources Comments on BullRun's Value-Destructing Scheme to Pocket \$2.1M of Shareholder Money

19.09.2018 | [GlobeNewswire](#)

- *Dissident investor makes last-minute desperate attempt to buy votes, gain access to GrowMax's cash reserves*
- *Shareholders are reminded that the only way to save their investment is by voting their BLUE Proxy &ldquo;FOR&rdquo; the Fertimar/PrimaSea acquisition and &ldquo;FOR&rdquo; management's director nominees ahead of voting deadline on September 21, 2018*
- *For assistance with voting contact Kingsdale Advisors at 1-866-581-1479 or [contactus@kingsdaleadvisors.com](mailto:contactus@kingsdaleadvisors.com)*

TORONTO, Sept. 19, 2018 - [GrowMax Resources Corp.](#) (the &ldquo;Company&rdquo; or &ldquo;GrowMax&rdquo;) (TSX-V: GRO) today commented on BullRun Capital's value-destructing dividend scheme that would allow the activist to pocket \$2.1 million of the Company's cash reserve.

The proposed scheme was hastily announced in a press release on September 18, 2018, just seven days before the Company's annual and special meeting of shareholders, and contradicts BullRun's &ldquo;business plan&rdquo; published in their proxy circular on September 10.

&ldquo;Shareholders deserve better than BullRun's flipfopping and back-of-the-napkin business plans,&rdquo; said GrowMax CEO Stephen Keith. &ldquo;A dividend for a company with a strong balance sheet is an easy short-term solution but won't create long-term value like our PrimaSea acquisition. This is nothing but a last-ditch desperate attempt to buy shareholder votes.&rdquo;

&ldquo;In contrast, the PrimaSea acquisition brings both near-term cash flow and maintains a significant cash balance, providing the potential for significant shareholder value and the potential to implement a regular dividend policy without risking the Company as a whole.

&ldquo;One thing to remember in the overall analysis is that a large number of shareholders are long-term holders of GrowMax shares and acquired shares at a significant premium compared to what BullRun has acquired over the last few months. Now, BullRun wants to pay themselves back for their short-term investment, loot the treasury and take away the significant potential that our cash balance and near-term cash flow bring in these volatile capital markets. And still, BullRun and its supporters have no plan for the future of the Company.&rdquo;

BullRun's dividend scheme reveals their true intentions: They want to get their hands on GrowMax's cash. GrowMax has long-feared that BullRun has a hidden agenda to gain access to GrowMax's strong cash position. Their proposed dividend scheme allows them to do just that. We estimate that, by receiving the \$2.1 million, BullRun will retrieve between 60% to 70% of its total investment in GrowMax &mdash; a significant short-term gain for a short-term investor. Notably, BullRun still hasn't disclosed what they intend to do with the rest of GrowMax's cash.

BullRun's dividend scheme is value destructing and not in the best interest of shareholders. BullRun proposes to simply transfer half of GrowMax's cash reserves to GrowMax shareholders, which results in no substantial economic difference. In other words, any cash distributed to GrowMax shareholders would be offset by a corresponding decline in the value of GrowMax and its share price.

BullRun's &ldquo;business plan&rdquo; lacks credibility. In its proxy circular, dated September 10, BullRun makes no mention of a dividend. Instead, they outline a vague list of objectives including pursuing acquisitions in high growth areas with significant investor interest. By cashing-out with its dividend and

slashing the Company's cash reserves in half, is BullRun saying that they now only have access to half as many acquisition opportunities? What is BullRun's real agenda? It appears BullRun will say anything to gain shareholder support.

The PrimaSea acquisition is transformative and value-enhancing. Unlike BullRun, management's nominees have put forward a detailed value-enhancing plan to leverage the Company's strong cash position to consolidate organic animal and plant nutrient assets in Latin America. GrowMax's first transaction, the PrimaSea acquisition, gives GrowMax shareholders ownership of a multi-generational lithothamnion asset, immediate revenues, near term cash flow, and an enhanced team with international sales capabilities.

GrowMax's fundamental investment thesis is based on: (i) the fact that the specialty plant and animal nutrient sector is attracting strong investor interest, as supported by significant share-price appreciation for several companies operating that sector, and (ii) the addition of a long-life asset with upside for production expansion.

#### VOTE YOUR BLUE PROXY TO KEEP GROWMAX ON THE RIGHT TRACK

Shareholders are encouraged to vote only their BLUE Proxy "FOR" the PrimaSea acquisition and "FOR" all of management's qualified and experienced director nominees.

Shareholders are asked to vote online at [www.proxyvote.com](http://www.proxyvote.com) to ensure votes are received in a timely manner as the deadline to vote is 10:00 a.m. (Calgary time), being 12:00 p.m. (Toronto time), Friday, September 21, 2018.

If you have already voted using another proxy, you may vote again on the BLUE Proxy. The later dated BLUE Proxy will count as it supersedes any previously given proxy.

Vote BLUE today at [www.proxyvote.com](http://www.proxyvote.com) or by contacting Kingsdale Advisors toll free at 1-866-581-1479 or by email at [contactus@kingsdaleadvisors.com](mailto:contactus@kingsdaleadvisors.com). There is a team standing by to help.

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About GrowMax Resources Corp.

[GrowMax Resources Corp.](#) is a publicly listed Canadian company holding exploration assets bearing phosphate and potassium-rich brine resources on its Bayovar Property, which is located in the Sechura Desert in northwestern Peru.

GrowMax has been focusing its efforts on leveraging its existing balance sheet to consolidate junior fertilizer

assets in Latin America, targeting projects with favorable margins and generating cash flow. The Company's vision is to become a prominent player in the Latin American fertilizer industry.

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Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/308799--GrowMax-Resources-Comments-on-BullRuns-Value-Destructing-Scheme-to-Pocket-2.1M-of-Shareholder-Money.h>

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