

# Independent Advisory Firm Recommends that GrowMax Shareholders Vote Against the Primasea Transaction

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## And Shareholders are Reminded to Vote their Yellow Proxy Today

VANCOUVER, Sept. 20, 2018 - Concerned shareholders, Kulwant Malhi and BullRun Capital Inc. (the "Concerned Shareholders") of [GrowMax Resources Corp.](#) (the "Corporation" or "GrowMax") (TSX-V: GRO) today reminded shareholders that the 8:00 a.m. (Calgary time) September 21, 2018 voting deadline is fast approaching and encouraged shareholders to vote today.

The Concerned Shareholders are also pleased to announce that Glass Lewis & Co. LLC, ("Glass Lewis") a leading proxy advisory firm, has recommended that GrowMax shareholders vote AGAINST the PrimaSea transaction for a number of reasons. Glass Lewis' report states that:

"...while we generally grant considerable deference to management and the board on matters of strategic direction, in this case, we do not believe the Company has sufficiently justified the financial aspects of the proposed transaction. PrimaSea suffers from limited liquidity, including negative working capital and negative shareholders' equity, and has a history of losses and negative operating cash flows. The purchase price appears well out of line with precedent transactions on the basis of trailing revenue multiples and the transaction would be highly dilutive to the ownership interests of existing shareholders. Moreover, investor reaction to news of the proposed transaction was overwhelmingly negative and GrowMax shares now trade at a significant discount to the Company's projected net cash balance at closing, suggesting investors ascribe negative value to the transaction. Based on the forgoing factors, we cannot reasonably conclude that the proposed transaction is in the best interests of shareholders at this time."

Glass Lewis also commented on the proposed PrimaSea transaction agreement which will serve to entrench the current board, and limit the ability of current shareholders to have a say in the Corporation's future. Glass Lewis' report notes that:

"Moreover, we are concerned that the proposed transaction includes voting agreements that would serve to entrench the incumbent board and management team. Under the transaction agreement, for a two-year period following completion, the Sellers will be required to support the board candidates nominated by the incumbent board. Given that the Sellers will hold 50% of the enlarged share capital, we expect minority shareholders will have limited voice on matters of board composition going forward. We also question the timing of these voting agreements in light of the ongoing proxy fight with BullRun."

Further to the Concerned Shareholders' news release dated September 18, 2018, the Concerned Shareholders emphasize the proposed \$0.075 dividend is for ALL SHAREHOLDERS. The Concerned Shareholders believe that distributing cash back to you is the best use of the Corporation's assets especially when compared to the proposed PrimaSea transaction which will serve as a sinkhole for the Corporation's assets and result in the severe dilution of all of our shareholdings. The current board and management have depleted the treasury from over \$50 million in 2015, to just over \$30 million today, without development of an operating business. This trend will continue unless shareholders support the Concerned Shareholders, who include the Corporation's largest individual investor. The Concerned Shareholders note that GrowMax will have substantial cash and working capital on hand to pursue investments and transactions that will maximize shareholder value after the distribution of the dividend.

The Concerned Shareholders encourage all shareholders to read the Concerned Shareholders' meeting materials, which are available at [www.laurelhill.ca/abetter-growmax](http://www.laurelhill.ca/abetter-growmax) and urge Shareholders to vote only the YELLOW proxy. By voting only the YELLOW proxy shareholders will be voting:

- AGAINST a highly-dilutive transaction that will result in the handover of 60% of your company to GrowMax directors and officers;
- AGAINST the re-election of a board of directors that has destroyed shareholder value in favour of their own self-interest;
- AGAINST the adoption of a new equity incentive plan that will further increase the shareholdings of directors and officers and further dilute your interest in the Corporation;
- AGAINST the adoption of an advance notice by-law that gives the board of directors the sole discretion to dismiss your shareholder nominees;
- FOR the new Concerned Shareholder nominees who will rejuvenate the GrowMax board of directors and take the Corporation in a new direction that will eliminate wasteful spending and maximize shareholder value; and
- FOR the issuance of a dividend payment which will result in a cash being paid directly to YOU instead of being used to fund a money-losing operation.

Shareholders should discard any blue proxy they may receive and should vote only their YELLOW proxy well in advance of the proxy voting deadline of September 21, 2018 at 8:00 a.m. Calgary time.

Due to the essence of time, Shareholders are asked to vote online or by telephone by following the instructions found on the YELLOW proxy to ensure votes are received in a timely manner. IF YOU HAVE ALREADY VOTED USING MANAGEMENT'S PROXY, YOU CAN STILL SUPPORT THE CONCERNED SHAREHOLDERS BY USING THE YELLOW PROXY. THE LATER DATED PROXY WILL SUPERSEDE.

Remember every vote counts to protect your investment. Regardless of the number of shares you own, please vote your YELLOW proxy today.

Questions and requests for assistance may be directed to the Concerned Shareholders' Proxy Solicitor:

Laurel Hill Advisory Group  
North America Toll Free: 1-877-452-7184  
Outside North America: 1-416-304-0211 (collect)  
Email: [assistance@laurelhill.com](mailto:assistance@laurelhill.com)

SOURCE BullRun Capital Inc.

## Contact

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