

Court Ruling Rejects BullRun Capital's Claims and Finds GrowMax's Management and Board Acted Appropriately

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- Court rules that GrowMax's board of directors acted appropriately in postponing meeting because BullRun's September 18 press release was misleading to shareholders until it was later corrected; orders BullRun to pay GrowMax's directors' court costs.
- Annual and special meeting of shareholders now scheduled for March 8, 2019; If you have already voted, no action is needed. Shareholders who voted but wish to change their vote, may vote again; the later dated proxy will count.
- Shareholders are encouraged to vote management's BLUE proxy in advance of the voting deadline on March 6, 2019 at 10:00 a.m. (Calgary time). For assistance with voting contact Kingsdale Advisors at 1-866-581-1479 or contactus@kingsdaleadvisors.com.

TORONTO, Feb. 26, 2019 - [GrowMax Resources Corp.](#) (the "Company" or "GrowMax") (TSX-V: GRO), in response to shareholder inquiries, is pleased to provide details about the wasteful and costly legal action initiated at the Court of Queen's Bench of Alberta (the "Court") by activist investor BullRun Capital ("BullRun") and its principal Kulwant Malhi.

The Court's decision is summarized below:

- The Court agreed that BullRun and Malhi misled shareholders in its September 18 press release regarding its dividend scheme. In her ruling, the Honourable Madam Justice L. Bernette Ho notes BullRun's press release "contained misstatements, omissions, and misleading statements of material facts...I conclude that the Board acted appropriately in postponing the September 25 Meeting in order to ensure that shareholders had accurate and fulsome disclosure." These misstatements were corrected by BullRun and Malhi after the meeting was postponed.
- The Court dismissed BullRun's request that the Company's Advance Notice Bylaw be declared invalid. In its ruling, the Court noted that "[advance] notice policies may be beneficial because they provide disclosure to shareholders in advance of annual general meetings and prevent ambush by other shareholders, thereby facilitating shareholder democracy."
- The Court dismissed BullRun's claim that GrowMax and its board of directors acted oppressively, unfairly, prejudicial, or unfairly disregarded the interests of the activists. The Court disagreed that there was any evidence of conduct that is "oppressive, unfairly prejudicial or unfairly disregards the interests of [BullRun] or other shareholders."
- The Court ordered BullRun and Malhi to pay GrowMax's directors' court costs. BullRun's application against the individual directors in their personal capacities was dismissed and consequently the Court ruled that "the Individual Directors shall receive costs of their application."
- The Court dismissed BullRun's claim that GrowMax President and CEO Stephen Keith failed to act in compliance with his obligations "in relation to the scheduling and postponement of the September 25 AGM, or in relation to the development of the PrimaSea Transaction."
- The Court agreed with GrowMax's position that the cut-off date should be a customary number of days before the meeting, "to be held at a time when GrowMax shareholders are in a position to consider...additional public disclosure." In contrast, BullRun wanted to fix the cut-off date to September 21, 2018 which would deprive shareholders of their rights to make an informed voting decision.

In addition, during the Court proceedings, it was learned that BullRun and its director nominees intentionally withheld from GrowMax's shareholders particulars of their plans for the Company's money—plans that may or may not require shareholder approvals.

“On the heels of the Court ruling last week, we’re seeing growing support for the PrimaSea acquisition and for management’s director nominees from shareholders who will finally get to vote on the future direction of their Company. The decision by the Court confirms our view that BullRun’s legal action was wasteful, costly, and did nothing but delay, for months, shareholders’ democratic right to vote their shares,” said Mr. Keith.

“Since the beginning of the proxy contest last year, Malhi and BullRun have been tight-lipped about their agenda for GrowMax including a barebones “business plan” in their dissident circular. In addition, the Court found that they misled shareholders in a September 18 press release about the proposed dividend, which was belatedly corrected. Shareholders should be asking Malhi what he intends to do with your money and what undisclosed deals have already been made. Shareholders deserve better.”

VOTE YOUR BLUE PROXY FOR A BOARD YOU CAN TRUST; 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.

Over the past two years, GrowMax’s board of directors has worked diligently to get GrowMax back on track. The Company has:

- A refreshed Board
- A new management team
- A stronger balance sheet
- Reduced spending and executive compensation
- A new growth strategy of actively seeking out value-enhancing opportunities including the PrimaSea acquisition.

The PrimaSea acquisition gives shareholders a multi-generational asset that enjoys revenue streams in two growing premium market segments: plant nutrients and animal feed.

With our investment in PrimaSea, our future is bright with increased cash flow, a stronger balance sheet, an enhanced Board and the flexibility to look at more opportunities, even in other sectors, if it makes financial sense.

If you have already voted and do not want to change your vote, no action is needed. If you have already voted using another proxy, we encourage you to vote again on management’s BLUE Proxy. The later dated BLUE Proxy will count as it supersedes any previously given proxy.

Shareholders are encouraged to vote online at www.proxyvote.com to ensure votes are received in a timely manner as the deadline to vote is on March 6, 2019 at 10:00 a.m. (Calgary time), being 12:00 p.m. (Toronto time).

Vote BLUE today at www.proxyvote.com or by contacting Kingsdale Advisors toll free at 1-866-581-1479 or by email at contactus@kingsdaleadvisors.com. There is a team standing by to help.

For more information, please contact:

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Forward-looking information is based on management's beliefs, expectations, estimates and opinions on the date statements are made and GrowMax undertakes no obligation to update forward-looking information and whether the beliefs, expectations, estimates and opinions upon which such forward-looking information is based has changed, except as required by applicable law.

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