

GrowMax Files Letter to Shareholders, Sets the Record Straight on Information Put Out by BullRun Capital

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- *Annual and special meeting of shareholders scheduled for March 8, 2019; shareholders are reminded to vote on management's BLUE proxy well 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. 28, 2019 - [GrowMax Resources Corp.](#) (the "Company" or "GrowMax Resources") (TSX-V: GRO) today issued a letter to shareholders ahead of its upcoming annual and special meeting of shareholders to be held on March 8, 2019.

The letter provides some background about GrowMax's Board of Directors and their vision for GrowMax. It also addresses many of the false accusations and significant misinformation spread by BullRun, a self-interested activist.

Shareholders are encouraged to review the letter below along with a detailed Fact Sheet available on GrowMax's website and vote only their BLUE Proxy "FOR" the PrimaSea acquisition and "FOR" all of management's qualified and experienced director nominees.

The deadline to vote is 10:00 a.m. (Calgary time), being 12:00 p.m. (Toronto time), March 6, 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 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.

The full contents of the letter are included below:

February 28, 2019

Dear Fellow Shareholder,

On behalf of [GrowMax Resources Corp.](#)'s Board of Directors (the "Board"), I'd like to provide you with an update about our annual and special meeting of shareholders (the "Meeting"). The Meeting will be held on March 8, 2019 at 10:00 a.m. (Calgary time) at the offices of McCarthy Tétrault LLP at 4000, 421 7th Avenue S.W Calgary, Alberta, Canada.

As you may be aware, a new Meeting date was required as a result of legal action initiated at the Court of Queen's Bench of Alberta by BullRun Capital Inc. and Kulwant Malhi (together, "BullRun"). In the pages that follow, we detail GrowMax's victory in court and provide some background about our Board and our vision for GrowMax. We also address many of the false accusations and significant misinformation spread by BullRun, a self-interested activist. We understand that this has been a long process but remind you that your vote at this Meeting is very important and will decide the future direction of your company.

The Court's Decision

Madam Justice Ho ordered that the Meeting be held on or before March 29, 2019. As mentioned above, we have set March 8, 2019 as the date for the Meeting.

As agreed between BullRun and GrowMax, the record date for the Meeting will be maintained as August 20, 2018. Justice Ho also agreed with GrowMax's position that the proxy cut-off date should be a date which reflects a customary period closer to the meeting date, and we have set March 6, 2019 as the cut-off date.

Justice Ho's other determinations on BullRun's application and GrowMax's cross-application included the following:

- 1. The Court upheld our Advance Notice By-Law as implemented by GrowMax's directors, stating that the Board acted in a manner consistent with usual corporate practice in enacting the Advance Notice By-Law and also found that BullRun had complied with the Advance Notice By-Law.*
- 2. BullRun's September 18 press release contained misstatements, omissions and misleading statements of material facts, being BullRun's statements regarding the proposed dividend and the need to meet the solvency test requirements of section 44 of the Alberta Business Corporations Act. BullRun addressed these shortcomings in its September 27 press release (i.e. after the Board appropriately postponed the meeting due to its concerns about the September 18 press release) and, accordingly, no further corrective disclosure or further proxy circular is required by BullRun.*
- 3. The Court did not find any of the actions of GrowMax or its directors, whether considered alone or cumulatively, were oppressive, unfairly prejudicial or unfairly disregarded the interests of BullRun or any other shareholder.*
- 4. GrowMax's directors acted properly in requesting further information from BullRun, and in postponing the Meeting, in order to ensure that shareholders had accurate and fulsome disclosure.*
- 5. With respect to GrowMax's CEO, the Court did not see evidence that he failed to act in compliance with his obligations under the Alberta Business Corporations Act.*
- 6. Although there was no finding of impropriety by GrowMax's chairman, the Court determined that it would be in the best interests of GrowMax for an independent chair to be appointed for the Meeting in view of the history between the parties and to help ensure that the proxy battle is undertaken in a fair manner.*
- 7. BullRun's application against the individual directors in their personal capacities was dismissed and BullRun is required to pay to the directors the court costs of their application in accordance with the Alberta Rules of Court.*

As we also learned when we were defending BullRun's lawsuit, Mr. Malhi and his other nominees made a concerted effort to withhold from GrowMax's shareholders the information about their plans on how to use GrowMax's available money because they knew that if they disclosed this information it would harm their chances to convince you to vote with them.

In light of this, it is clear your vote matters now more than ever.

Our Vision for GrowMax

Shareholders are being asked to consider and vote upon a number of items of business, including the composition of GrowMax's Board of Directors and our proposed acquisition of PrimaSea which,

through its wholly-owned subsidiary, Fertimar Mineração e Navegação Ltda. (“Fertimar”), is an established Latin American producer of lithothamnion based premium organic animal feed and plant fertilizer products.

As you consider your vote, I’d like to take this opportunity to provide you with some background about our Board and of our vision for GrowMax. We understand your frustration. That’s why, when I was brought on as CEO of GrowMax in late 2017, my mandate was very clear: Get our financial house in order and generate value for shareholders by developing the existing asset base and/or executing on new acquisition opportunities.

That’s exactly what we have done. Here are the facts:

We have:

- *A refreshed Board with significant operational and governance experience in natural resources, renewable energy, finance, and real estate. Our Board is independent, has a clear vision and is well-positioned to evaluate accretive opportunities and to put GrowMax on a growth trajectory.*
- *A new management team with a depth of experience building and growing resource companies and an extensive track record in finance, accounting and M&A.*
- *A strong balance sheet with cash reserves of more than \$25 million combined with an acquisition that will bring cash flow and growth in a rapidly growing market.*
- *Cut spending and executive compensation. Overall annual executive salaries and director fees have been reduced by approximately 66% since 2015.*
- *An opportunity to grow. The opportunity to grow in a downturn and be well-positioned when investor interest in agricultural markets returns. (Buy low – contrarian investing).*

The PrimaSea/Fertimar Acquisition

Since 2017, management and the Board have actively sought out growth opportunities, canvassing ideas from investment banks, investors and professional networks. Our strategy and goals were never hidden, and the results are continually made public. It is important that you understand the facts of the PrimaSea transaction rather than believing the baseless rumours and accusations that have been disseminated by BullRun and anonymous parties in online communities.

Why do we want to acquire PrimaSea?

Simple – it is a multi-generational asset; enjoys revenue streams in two growing premium market segments: plant nutrients and animal feed; has a skilled management team; is on the cusp of generating profits and expanding production while protecting a significant amount of GrowMax’s cash reserve. 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. Additionally, once steady growth and cash flow have been established, then real value can be delivered to shareholders on multiple levels – through share price increases, sustainable dividends and new opportunities.

This is a truly transformational transaction to build value for shareholders. I encourage you to visit our website, and review our Fact Sheet on our website, for more information about the PrimaSea acquisition, including detailed Q&A documents dispelling the misinformation circulated by BullRun.

Vote Today

The PrimaSea deal is not about me or the Board, it is about you and your investment. What I ask of you today is to look closely at facts versus baseless accusations and rumours; evaluate concrete opportunities versus BullRun’s lack of plan and hidden agenda; and objectively compare our experienced and independent Board versus BullRun’s director nominees, their lack of governance experience and

interlocking relationships.

This decision is critical for GrowMax and therefore to you and your investment.

BullRun has issued a release in which it falsely claims that the purpose of delaying the Meeting was because we were losing the vote. This is demonstrably in conflict with the Court's findings. This, unfortunately, is consistent with BullRun's pattern of throwing out spurious allegations and accusations to mislead shareholders.

If you have already voted on your BLUE proxy no action is needed, unless you want to change your vote. Shareholders who have not yet voted or voted on the dissident's yellow proxy are encouraged to do so on management's BLUE proxy. The later dated BLUE Proxy will count as it supersedes any previously submitted proxy. The new deadline to submit proxies is March 6, 2019 at 10 a.m. Calgary time (being 12:00 p.m. Toronto time).

If you need help voting contact Kingsdale Advisors at 1-866-581-1479 or contactus@kingsdaleadvisors.com. There is a team standing by to help. If you have any questions about your Board, our management, or the PrimaSea transaction, please contact me directly at 1-647-299-0046.

Kind Regards,

*Stephen Keith
President and CEO
[GrowMax Resources Corp.](#)*

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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

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