

# GrowMax Mails Circular Seeking Shareholder Approval of Change of Business and Return of Capital to Shareholders

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VANCOUVER, July 11, 2019 - [GrowMax Resources Corp.](#) (TSXV: GRO) (“GrowMax” or the “Company”) is pleased to announce that it has filed a management information circular (the “Circular”) and related proxy materials in advance of the annual and special meeting of shareholders of GrowMax to be held on August 7, 2019 at 10:00 a.m. (Vancouver time) (the “Meeting”) to seek approval of, among other things, the change of business to an investment company (the “Proposed COB”) under the rules of the Canadian Securities Exchange (the “CSE”); the return of excess capital to the shareholders of the Company; and the continuation of the Company into British Columbia.

## Proposed COB

After a thorough evaluation of the Company’s existing resources and a review of strategic options for the Company generally, the Company determined to refocus its business operations from a “mining issuer” to an “investment issuer”. The board of directors of the Company (the “Board”) believes that its network of business contacts, the depth of experience of its management team and its overall entrepreneurial approach will enable it to identify and capitalize upon investment opportunities that offer attractive returns as an “investment issuer”. The company will seek to deploy its capital in sectors that are in favour with investors and offer attractive returns.

In connection with the Proposed COB, the Company intends to adopt an investment policy (the “Investment Policy”) to govern its investment activities and investment strategy. A summary of the material terms of the Investment Policy and a copy of the Investment Policy is provided in the Circular.

The completion of the Proposed COB is subject to the receipt of all necessary approvals, including without limitation shareholder approval of the Proposed COB, regulatory approval for the listing of the common shares of the Company on the CSE and the delisting of the common shares of GrowMax from the TSX Venture Exchange.

## Return of Capital

In connection with the Proposed COB, the Board has determined that the Company has excess capital to what is required to effect the current plans for the Company, and as such the Board proposes distributing such capital in cash to shareholders as at record date at a value of \$0.03 distributed for each common share held, to an aggregate of \$6,417,769.35. Accordingly, in order to conduct such distribution in a tax efficient manner, the Board recommends that shareholders vote for the special resolution to approve reduction of stated capital of the Company and completing a return of capital to the shareholders.

## Continuance into British Columbia

At the Meeting, shareholders will be asked to pass a special resolution approving the continuance of the Company from the Province of Alberta governed by the *Business Corporations Act* (Alberta) to the Province of British Columbia governed by the *Business Corporations Act* (British Columbia) (“BCABC”). The Board is of the view that it would be appropriate to continue the Company as a British Columbia company for corporate and administrative reasons. Among other reasons, the Company has no material assets in the Province of Alberta and there are no residency requirements for the directors of a company existing under the BCABC.

## Compensation Plans

Shareholders will also be asked to vote on ordinary resolutions to approve the stock option plan (the "Option Plan") and the fixed restricted share unit plan (the "RSU Plan"). The purpose of the Option Plan and the RSU Plan is to promote a greater alignment of the interests of directors, officers, employees and consultants of the Company with the interests of the shareholders as well as retaining and encouraging, the continued involvement of such persons with the Company. The Board (or such other committee the Board may appoint) is responsible for administering the plans. Further details regarding can be found in the Circular.

## Other Matters

In addition, other matters to be considered at the Meeting include standard items such as presentation of the Company's financial statements for the fiscal year ended December 31, 2018, the election of directors for the ensuing year, and the re-appointment of the Company's auditors.

## Cast Your Vote in Support

Shareholders are encouraged to read the circular and the meeting materials in detail and cast their vote in favour of all resolutions prior to the proxy voting cut-off i.e. 48 hours (excluding Saturdays, Sundays and holidays) before August 7, 2019 at 10:00AM, the time fixed for the Meeting or any adjournment(s) or postponement(s).

Voting is easy. Shareholders may vote online, by telephone or other methods described in the form of proxy or voting instruction form that shareholders will receive in the mail.

The Board of Directors of GrowMax recommends that Shareholders Vote FOR all proposed resolutions.

For more information about GrowMax, please contact:

Kal Malhi  
Chief Executive Officer

## Forward-looking information

This press release contains "forward-looking information" within the meaning of applicable Canadian securities legislation. Forward-looking information includes, without limitation, statements regarding the impact of changes to the board, the Proposed COB, the ability of the Company to complete the Proposed COB, the expected benefits of the Proposed COB to the Company and its shareholders, the delisting of the Common Shares from the TSXV, the listing of the Common Shares on the CSE and the future plans or prospects of the Company. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of GrowMax, as the case may be, to be materially different from those expressed or implied by such forward-looking information. Although GrowMax has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. GrowMax does not undertake to update any forward-looking information, except in accordance with applicable

securities laws.

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Completion of the Proposed COB is subject to a number of conditions, including CSE acceptance and shareholder approval. The transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the listing statement to be prepared in connection with the Proposed COB, any information released or received with respect to the Proposed COB may not be accurate or complete and should not be relied upon. Trading in the securities of GrowMax should be considered highly speculative.

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