

GrowMax Resources Corp. Announces Change of Business and Provides Corporate Update

27.08.2019 | [CNW](#)

VANCOUVER, Aug. 27, 2019 - [GrowMax Resources Corp.](#) (TSXV: GRO) ("GrowMax" or the "Company") is pleased to announce, further to its news release on August 12, 2019, a proposed change of business from mineral exploration to an investment issuer (the "Proposed COB") under the rules of the TSX Venture Exchange (the "TSXV"). The shareholders of the Company has approved the Proposed COB at the annual general and special meeting on August 7, 2019 (the "Meeting").

After a thorough review of the Company's resources and strategic options, and given the expertise and skill sets of the Company's directors, the Board has determined that the optimal allocation of the Company's working capital would be within the framework of an investment company.

Subject to receipt of all regulatory approvals, including approval of the TSXV of the Proposed COB, the Company will become a Tier 1 Investment Issuer.

Trading in the common shares of the Company has been halted and will remain halted pending review of the Proposed COB by the TSXV.

Summary of the Proposed COB

Upon completion of the Proposed COB, the Company's primary focus will be to seek long-term capital growth by making investments in early stage or undervalued companies.

In connection with the Proposed COB, the Company has adopted an investment policy (the "Investment Policy") to govern its investment activities and investment strategy. A copy of the Investment Policy was attached to the Company's management information circular dated July 2, 2019. A description of the Investment Policy follows.

<p>Investment Strategy</p>	<p>The Company may invest in equity, debt and convertible securities, which the Company may acquire and held both for long-term capital appreciation and shorter-term gains. The Company will identify companies that have potential, strong management teams and/or are involved in a market that is consistent with or otherwise complimentary to the Company's macro portfolio. The Company's investment strategy will be seeking undervalued companies backed by strong management teams and solid business models that can benefit from macro-economic trends.</p> <p>The Company will invest in concentrated, long-term positions in public companies. The Company may also invest in securities of issuers in special situations, including event-driven situations such as a merger, acquisition or joint-controlling interest in an invested company, which may also involve the provision of management and/or board participation.</p> <p>The Company's investment strategy will also include structuring and initiating deals for private companies, providing resources, themes, or regions as well as launching the development of businesses in emerging markets, providing assistance with the hiring of management teams, providing seed capital and facilitating the transition of such private companies to the public market.</p>
<p>Implementation</p>	<p>Prospective investments will be channelled through the Investment Committee. The Investment Committee will initially be comprised of Kulwant Malhi and Michael Sadhra.</p> <p>Once a decision has been reached to invest in a particular situation, a short summary of the investment decision will be prepared by the Investment Committee and submitted to the Board. All investments shall be submitted to the Board for final approval. The Investment Committee will monitor investments for submission to the Board and monitor the Company's investment portfolio on an ongoing basis, and will be subject to the direction of the Board.</p>
<p>Investment Evaluation Process</p>	<p>In selecting securities for the investment portfolio of the Company, the Investment Committee will consider various factors in relation to any particular issuer, including:</p> <ul style="list-style-type: none"> • inherent value of its assets; • proven management, clearly-defined management objectives and strong track record; • future capital requirements to develop the full potential of its business and the ability to raise the necessary capital; • anticipated rate of return and the level of risk; • financial performance; and • exit strategies and criteria.
<p>Conflicts of Interest</p>	<p>The Company has no restrictions with respect to investing in companies or other entities in which any member of the Company's management or Board may already have an interest or involvement. If a conflict is determined to exist, the Company may only proceed after receiving approval from a majority of the members of the Board. The Company is also subject to the "related party" transaction policy, which mandates disinterested shareholder approval for certain transactions.</p>

Monitoring and Reporting	<p>The Company's Chief Financial Officer shall be primarily responsible for the reporting performance of each of the Company's investments is monitored. Quarterly financial reports shall be gathered from each corporate entity, and these shall form the basis for the Company's investment portfolio by the Investment Committee. Any deviations from the Company's investment portfolio by the Investment Committee and, if deemed to be significant, reported to the Investment Committee.</p> <p>A full report of the status and performance of the Company's investments is to be prepared by the Investment Committee and presented to the Board at the end of each fiscal year.</p>
Amendment of Investment Policy	The Company's Investment Policy may be amended with approval from the Board.

Board and Management

In light of the new strategic direction of the Company, the Board and Management was reconstituted in March 2019 and is made up of the following directors and executive officers: Kulwant Malhi, Chief Executive Officer and Director, Alfred Wong, President and Director, Michael Sadhra, Director, and Bala Reddy Udumala, Director.

Please see the Company's management information circular dated July 2, 2019 for further details on each of the directors and officers.

Return of Capital

The Company wishes to clarify that the special dividend announced on August 16, 2019 is the return of capital (the "Return of Capital") the shareholders voted upon on at the Meeting. Following the Return of Capital on September 5, 2019, the Company is expected to have working capital sufficient to meet its strategic objectives.

Corporate Update

The Company is pleased to announce that it has made investments in Quality Green Inc., Sweet Earth Holdings Corporation, and Hempfusion, Inc.

Quality Green Inc. is a licensed cultivator of marijuana based in Ontario, Canada and is currently constructing a 100,000 square foot indoor facility at a cost of approximately 15 million and completion of the first phase scheduled for late fall 2019. Founded in 2013, Quality Green strives for the perfect trifecta of optimized production efficiency, best practices, and standards, to result in the finest product. With an extensive expansion plan and a clear vision across all channels of their business, Quality Green is poised to capture vast opportunities within the cannabis space. With considerable momentum and a team focused on delivering on strategy and innovation, Quality Green demonstrates its commitment to owning its position as a leading cannabis producer. Quality green is anticipating a public listing in fall of 2019

Sweet Earth Holdings Corporation is a licensed cultivator of hemp having in excess of 1000 acres of hemp cultivation capacity with 100 acres currently seeded and growing. In addition to cultivation, Sweet Earth has full extraction capacity and equipment and a suite of proprietary hemp-based CBD products. Sweet Earth currently has active cultivation in Oregon State, USA, and has agreement to acquire cultivation lands in California, USA, Columbia, and Spain. Sweet Earth has an experienced management team having over 25 years experience in cultivation. Sweet Earth anticipates a public listing in fall of 2019.

Hempfusion. Inc. is a premium CBD Wellness brand with distribution to over 3400 retailers across 47 states in the USA. Hempfusion is engaged in the advancement of therapeutic benefits of industrial hemp extract while maintaining the highest level of compliance in the industry. Hempfusion's wide variety of 30 products are sources from only the highest quality phyto compounds manufactured under the strictest cGMP standards to achieve maximum efficacy and safety. Hempfusion's primary focus is formulating and marketing premium consumer specific product lines with various delivery methods, across multiple distributor platforms. The Company's products are based on proprietary Whole Food Hemp Complex and are available through independently owned and national chain health food stores. It is anticipated that Hempfusion will publicly list on a Canadian exchange in latter part of 2019.

The Investments in Quality Green, Sweet Earth, and Hempfusion together with the investment in First Responder Technologies announced on August 12, 2019, are in line with the Company's business focus on early stage investments in growth sectors and near term liquidity for the Company. Both Quality Green and Sweet Earth are arm's length to the Company. The Company will be seeking to complete the industry reclassification on the TSX Venture Exchange based on both shareholder response to the proposed change in business and the expansion of the TSX Venture Exchange listing criteria to allow for United States based hemp/CBD producers.

Litigation

The Company also announces that a claim has been made in the Alberta Court of Queen's Bench against the Company by Jorge Lau Yook ("Lau") for payments purportedly owing under a Rights Transfer Agreement made between the Company, its Peruvian subsidiary and Lau. The claim is for US \$1.5 million in relation to property payment. The Company has not filed a statement of defense but intends to assess its liability under the Rights Transfer Agreement and its claims against Lau in relation thereto.

Forward-looking information

This press release contains "forward-looking information" within the meaning of applicable Canadian securities legislation. 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.

Completion of the Proposed COB is subject to a number of conditions, including but not limited to, Exchange acceptance and if applicable, disinterested shareholder approval. Where applicable, the Proposed COB cannot close until the required shareholder approval is obtained.

There can be no assurance that the Proposed COB will be completed as proposed or at all.

NEITHER THE TSX VENTURE EXCHANGE NOR ITS REGULATION SERVICES PROVIDER (AS THAT TERM IS DEFINED IN THE POLICIES OF THE TSX VENTURE EXCHANGE) ACCEPTS RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THIS RELEASE.

SOURCE [GrowMax Resources Corp.](#)

Contact

about GrowMax, please contact: Kal Malhi, Chief Executive Officer, 604-805-4602

Dieser Artikel stammt von [Rohstoff-Welt.de](#)

Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/333227--GrowMax-Resources-Corp.-Announces-Change-of-Business-and-Provides-Corporate-Update.html>

Für den Inhalt des Beitrages ist allein der Autor verantwortlich bzw. die aufgeführte Quelle. Bild- oder Filmrechte liegen beim Autor/Quelle bzw. bei der vom ihm benannten Quelle. Bei Übersetzungen können Fehler nicht ausgeschlossen werden. Der vertretene Standpunkt eines Autors spiegelt generell nicht die Meinung des Webseiten-Betreibers wieder. Mittels der Veröffentlichung will dieser lediglich ein pluralistisches Meinungsbild darstellen. Direkte oder indirekte Aussagen in einem Beitrag stellen keinerlei Aufforderung zum Kauf-/Verkauf von Wertpapieren dar. Wir wehren uns gegen jede Form von Hass, Diskriminierung und Verletzung der Menschenwürde. Beachten Sie bitte auch unsere [AGB/Disclaimer!](#)

Die Reproduktion, Modifikation oder Verwendung der Inhalte ganz oder teilweise ohne schriftliche Genehmigung ist untersagt!
Alle Angaben ohne Gewähr! Copyright © by Rohstoff-Welt.de -1999-2026. Es gelten unsere [AGB](#) und [Datenschutzrichtlinien](#).