



Maxim Power Corp. Provides Update on Insurance Information

CALGARY, Alberta (June 29, 2023) – Maxim Power Corp. ("MAXIM" or the "Corporation") (TSX: MXG) provides an update on insurance information related to the non-injury fire incident that occurred on September 30, 2022 (the "Incident") at the Milner 2 ("M2") facility.

INSURANCE INFORMATION UPDATE

As previously reported, MAXIM reaffirms insurance coverage for the Incident, subject to the terms and conditions of the Corporation's Property Insurance ("PI") policy, including Business Interruption ("BI") provisions. The Corporation continues to successfully progress an insurance claim for property damage and lost earnings under the PI policy. The PI policy provides \$200 million in total coverage, including BI. The PI insurance coverage related to the property damage from the Incident is subject to a customary deductible. The sub-limitations on the BI provision of the PI policy include a 45-day deductible, a monthly cap of \$5.5 million gross margin (plus a monthly margin allowance ranging from 10-15%), and a policy cap of \$66 million total gross margin. The Corporation is comfortable that the PI policy limit of \$200 million, less any coverage related to the BI provision, is sufficient to cover the property damage related to the Incident.

To date under the PI policy, MAXIM has submitted claims for \$66.4 million, of which \$48.4 million relates to BI and \$18.0 million relates to property damage. To date, MAXIM has received \$40.2 million in payments from insurance companies in relation to these claims. The Corporation continues to progress the insurance claims for damages and future lost earnings.

As previously reported, MAXIM submitted an additional insurance claim for a delay in start up related to the Incident under its Course of Construction ("COC") insurance policy, which includes a provision for Delay in Start Up ("DSU") coverage relating to the Milner 2 Expansion project. The Corporation has received a denial of coverage under this policy and is currently evaluating its options in relation to this claim. The COC policy continues to remain in effect during the construction and commissioning of the Milner 2 Expansion project.

About MAXIM

Based in Calgary, Alberta, MAXIM is one of Canada's largest truly independent power producers. MAXIM is now focused entirely on power projects in Alberta. Its core asset – the 204 MW H.R. Milner Plant, M2, in Grande Cache, AB – is a state-of-the-art natural gas-fired power plant that commissioned in Q2, 2020. MAXIM is currently increasing the capacity of M2 to approximately 300 MW and concurrently will realize an improvement in the efficiency of the plant by investing in heat recovery combined cycle technology. In addition, MAXIM continues to explore additional development options in Alberta including its currently permitted gas-fired generation projects and the permitting of its wind power generation project. MAXIM trades on the TSX under the symbol "MXG". For more information about MAXIM, visit our website at www.maximpowercorp.com. For further information please contact:

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Forward-looking statements

This press release contains forward-looking statements and forward-looking information (collectively "forward looking information") within the meaning of applicable securities laws relating to MAXIM's plans and other aspects of MAXIM's anticipated future operations, management focus, objectives, strategies, financial, operating and production results. Forward-looking information typically uses words such as "anticipate", "believe", "project", "expect", "goal", "plan", "intend", "may", "would", "could" or "will" or similar words suggesting future outcomes, events or performance. The forward-looking statements contained in this press release speak only as of the date thereof and are expressly qualified by this cautionary statement. Specifically, this press release contains forward-looking information concerning, among other things, MAXIM's insurance claims related to the Incident at M2.

Forward-looking information is based on certain assumptions and analysis made by MAXIM in light of our experience and MAXIM's perception of historical trends, current conditions, expected future developments and other factors MAXIM believes appropriate under the circumstances. These include, among other things, assumptions regarding insurance coverage.

MAXIM's actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits that MAXIM will derive there from. Risk factors include MAXIM's coverage for damages and business interruption. Readers are cautioned that the foregoing lists of factors are not exhaustive. Additional information on these and other factors that could affect MAXIM's business, operations or financial results are included in the reports on file with applicable securities regulatory authorities, including but not limited to MAXIM's Annual Information Form for the year ended December 31, 2022, which may be accessed on MAXIM's SEDAR profile at www.sedar.com. These forward-looking statements are made as of the date of this press release and MAXIM disclaims any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.