



Maxim Power Corp. Announces that it has Closed the Sale of Summit Coal

CALGARY, Alberta (April 29, 2025) – Maxim Power Corp. ("MAXIM" or the "Corporation") (TSX: MXG) announces today that it has closed the previously announced sale of 100% of its interest in its wholly-owned subsidiaries Summit Coal Limited Partnership and Summit Coal Inc. (collectively "Summit") to Valory Resources Inc. ("Valory") for \$14.2 million, consisting of \$10.2 million of cash and \$4.0 million of equity securities in the form of a 15% interest bearing note convertible into Valory common shares (the "Convertible Note").

The Convertible Note matures on April 29, 2027, and is convertible at MAXIM's election into common shares of Valory upon a convertible event, being a sale, equity raise or maturity and converts at a 30% discount to the corresponding share valuation at the event. Summit was sold with \$2.2 million of restricted cash, resulting in net cash proceeds to MAXIM of \$8.0 million. The Convertible Note may be redeemed by Valory at any time.

On April 29, 2025, MAXIM and Summit entered into an agreement such that MAXIM will receive a 3% royalty on any raw coal volume produced from the coal leases currently owned by Summit, including any volumes from Summit's Mine 14 project. The royalty will be calculated using a Premium Low Vol Hard Coking Coal benchmark and will be paid in United States dollars. The amount and timing of any royalty payments is contingent on the commencement of production and there is no certainty as to if, or when, production may begin.

Additionally on April 29, 2025, MAXIM, through its wholly-owned subsidiary Milner Power Inc. ("Milner"), entered into a ground lease at the Milner site, with a nominee of Valory, to allow for construction and operation of a coal processing facility. The term of the ground lease is twelve years commencing on April 29, 2025, however, it is subject to automatic termination if the coal processing facility has not been substantially completed within two years. Lease payments to Milner consist of both a prorated annual \$2.1 million fixed payment and a variable throughput payment subject to coal being processed through the leased lands. The variable throughput payment has the potential to be substantial if coal is processed through the leased lands at the Milner site; however, at this time, there is no certainty as to if, or when, the coal processing facility construction will be commenced or completed and coal processed. Accordingly, MAXIM may not realize the benefits of the variable throughput payment. Both the fixed lease payment and variable throughput payment is adjusted for inflation. The first-year pro-rated fixed payment of approximately \$1.4 million was received by Milner on April 29, 2025. An updated copy of the ground lease with the full terms and conditions will be available on SEDAR+.

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 300 MW H.R. Milner Plant, M2, in Grande Cache, AB – is a state-of-the-art combined cycle gas-fired power plant that commissioned in Q4, 2023. MAXIM continues to explore additional development options in Alberta including its currently permitted gas-fired generation project 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 statements concerning, among other things, the royalty agreement and ground lease, construction and completion of a coal processing facility and processing of coal, the amount and receipt royalties and lease payments.

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.

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 that the coal processing facility is not constructed and no coal is produced, 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, 2024, which may be accessed on MAXIM's SEDAR+ profile at www.sedarplus.ca. 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.