



Maxim Power Corp. Receives Notice from Valory Resources Inc. to Exercise the Option to Purchase Summit Coal

CALGARY, Alberta (February 11, 2025) – Maxim Power Corp. ("MAXIM" or the "Corporation") (TSX: MXG) announces that, pursuant to the Option to Purchase Agreement entered into in February 2022, and subsequently amended and restated in March 2023, it has received notice (the "Notice") from Valory Resources Inc. ("Valory") that Valory is exercising its right to purchase the Corporation's wholly-owned subsidiaries Summit Coal Limited Partnership and Summit Coal Inc. (collectively "Summit"). Following receipt of the Notice, MAXIM and Valory have until February 18, 2025 to enter into a Purchase and Sale Agreement (the "PSA"). Closing of the PSA ("Closing") will be subject to each party satisfying customary closing conditions and is expected to occur in the first half of 2025.

Purchase and Sale Agreement

Under the terms of the PSA, Valory will pay a total purchase price of \$14.2 million, consisting of \$10.2 million cash and \$4.0 million of equity securities in the form of either (i) common shares of Valory, or (ii) an interest-bearing note convertible into Valory common shares, at MAXIM's election, prior to Closing. Summit will be sold with \$2.2 million of restricted cash, resulting in net cash proceeds to MAXIM of \$8.0 million.

Summit sale proceeds will be used by MAXIM for general corporate purposes.

Following signing, a copy of the PSA will be available under the Corporation's SEDAR+ profile at www.sedarplus.ca.

Royalty Agreement

Prior to Closing, MAXIM and Summit will enter 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.

Ground Lease

MAXIM, through its wholly-owned subsidiary, Milner Power Inc. ("Milner"), has agreed, commensurate with Closing, to enter into a ground lease at the H.R. Milner site, with a nominee of Valory, to allow for construction and operation of a coal processing facility, the form and terms of which are appended to the PSA.

About Summit

Summit owns metallurgical coal leases for Mine 14 and Mine 16S located north of Grande Cache, Alberta. Current estimates for Mine 14 are 18.9 million tonnes of low-mid volatile metallurgical coal reserves based on the NI 43-101 technical report filed on MAXIM's SEDAR+ profile at www.sedarplus.ca on March 21, 2013. Mine 16S is located 30 kilometers northwest of Mine 14 and represents 1,792 hectares or 29% of Summit's total area of coal leases. A NI 43-101 Technical Report has not been prepared for Mine 16S.

About Valory

Valory Resources Inc. is a private Canadian resources company focused on the development of underground steelmaking coal projects to serve the global steel industry. Valory owns 100% of the Blackstone underground hard coking coal exploration project in Alberta, comprising an area of approx. 14,000ha.

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 entering into of a PSA, royalty agreement and Ground Lease, the timing of closing of the transactions referenced herein, construction and completion of a coal beneficiation facility, the amount and receipt of sale proceeds and royalties, and use of sales proceeds.

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 MAXIM may not close the PSA and therefore not enter into the royalty agreement and Ground Lease and that the beneficiation 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, 2023, 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.