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Press Release

For Immediate Release
Calgary, Alberta
July 30, 2015

Canamax Energy Ltd. and Powder Mountain Energy Ltd. announce closing of Business Combination

Canamax Energy Ltd. ("**Canamax**") (TSXV:CAC) and Powder Mountain Energy Ltd. ("**Powder**") (TSXV: PDM) are pleased to announce the completion of the acquisition by Canamax of all of the issued and outstanding common shares of Powder (the "**Powder Shares**") by way of a previously announced plan of arrangement (the "**Arrangement**") under the *Business Corporations Act* (Alberta). With the completion of both the Arrangement and the previously announced acquisition of assets in the Grimshaw and Grande Prairie areas of Alberta, Canamax is well positioned as a junior oil and gas company with an undrawn bank credit facility of \$21.0 million, estimated cash and working capital of \$3 to \$4 million, and significant development potential in its core areas of operation.

Business Combination

The Arrangement was approved at the special meeting of the shareholders of Powder held on July 29, 2015 by over 99% of the votes cast by the Powder shareholders present in person or represented by proxy. Final approval of the Arrangement was received from the Court of Queen's Bench of Alberta on July 30, 2015.

Pursuant to the Arrangement, Canamax acquired all of Powder's outstanding common shares for total consideration of \$27.6 million. The total consideration paid was based on Powder's estimated working capital surplus (substantially all cash) of \$21.7 million at July 30, 2015 plus an attributed value of \$5.9 million for Powder's existing lands, production and reserves.

For each Powder Share held, Powder shareholders received 0.954667 (the "**Exchange Ratio**") common shares of Canamax (the "**Canamax Shares**") at a deemed price of \$0.60 per Canamax Share. Based on the Exchange Ratio, the value of each Powder Share exchanged for a Canamax Share was deemed at approximately \$0.57. In aggregate, Canamax issued approximately 45.9 million Canamax Shares pursuant to the Arrangement; with the result that, after the completion of the Arrangement, Canamax has approximately 114.8 million common shares outstanding. As a result of the completion of the Arrangement, Canamax now has one shareholder owning more than 10% of the issued and outstanding Canamax Shares. For further details, please see below under the heading "32 Degrees".

Concurrent with the completion of the Arrangement, all of the directors and officers of Powder resigned. Immediately after the completion of the Arrangement, Canamax and Powder amalgamated pursuant to the

provisions of the *Business Corporations Act* (Alberta), with the amalgamated corporation continuing under the name “Canamax Energy Ltd.”.

Board of Directors of Canamax

Subsequent to the Arrangement, the Board of Directors of Canamax will be comprised of the following individuals:

- Hugh Ross (as Lead Director) – existing director of Canamax
- Kevin Adair – existing director of Canamax
- Brad Gabel (Canamax President and CEO) – existing director of Canamax
- Bruce Murray (former President and CEO of Powder) – former director of Powder
- Mitch Putnam – former director of Powder
- Gregg Smith – former director of Powder
- Robert Maitland – appointed jointly by above directors

Canamax and Powder would like to thank the following directors for their valued services over their tenure who resigned from the Canamax and Powder Boards as part of the Arrangement: a) from the Canamax Board: Mark Shilling, Stuart McDowall, Allan King and Kevin Delaney and b) from the Powder Board: Larry Evans, Massimo Geremia, Sam Ingram and Trent Baker.

32 Degrees

Pursuant to the Arrangement, 32 Degrees Diversified Energy Fund II (Canadian) L.P. and 32 Degrees Diversified Energy Fund II (US) L.P., two funds advised by 32 Degrees Capital Advisor Ltd., (collectively referred to as “32 Degrees”) acquired the ownership of approximately 13.8 million Canamax Shares in exchange for approximately 14.4 million Powder Shares, which represents approximately 12% of the issued and outstanding shares of Canamax.

32 Degrees exchanged its Powder Shares for Canamax Shares pursuant to the Arrangement for investment purposes. 32 Degrees may purchase or sell securities of Canamax in the future on the open market, in private transactions or otherwise, depending on market conditions and other factors material to the investment decisions of 32 Degrees.

32 Degrees filed an early warning report, pursuant to National Instrument 62-103, in respect of its acquisition of Canamax Shares. A copy of this report may be obtained from Canamax’s SEDAR profile at www.sedar.com or by contacting Trent Baker from 32 Degrees at 403-695-1074.

Canamax also filed an early warning report, pursuant to National Instrument 62-103, in respect of its acquisition of all the issued and outstanding Powder Shares. A copy of this report may be obtained from Powder’s SEDAR profile at www.sedar.com or by contacting Chris Martin from Canamax at 587-349-5186.

About Canamax

Canamax is a Montney oil focused junior oil and gas company with its core assets located in the Greater Grimshaw area of Northwestern Alberta.

For further information contact:

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Forward-Looking and Other Cautionary Statements

Certain information included in this press release constitutes forward-looking information under applicable securities legislation. Forward-looking information typically contains statements with words such as “anticipate”, “believe”, “expect”, “plan”, “intend”, “estimate”, “propose”, “project”, “forecast”, “should”, “will” or similar words suggesting future outcomes or statements regarding an outlook.

Forward-looking information in this press release may include, but is not limited to, the cash and working capital position of Canamax after the completion of the Arrangement, the development potential of Canamax’s properties, the effect of the Arrangement on the Company and the benefits to the Company.

The forward-looking statements contained in this document are based on certain key expectations and assumptions made by Canamax, which include, but are not limited to, the characteristics of the Company’s assets and associated decline rates and production. Although Canamax management considers these expectations and assumptions to be reasonable based on information currently available to it, undue reliance should not be placed on the forward-looking statements because Canamax can give no assurances that they may prove to be correct. Readers are cautioned that the foregoing list is not exhaustive of all expectations and assumptions which have been used.

Forward-looking statements necessarily involve known and unknown risks and uncertainties, including, without limitation, Canamax’s ability to achieve financial and other benefits resulting from the successful completion of the Arrangement and the acquisition of the assets primarily located in the Grimshaw and Grande Prairie areas of Alberta; the risks associated with oil and gas production; marketing and transportation; loss of markets; volatility of commodity prices; currency and interest rate fluctuations; imprecision of reserve estimates; environmental risks; competition; incorrect assessment of the value of acquisitions; failure to realize the anticipated benefits of acquisitions; inability to access sufficient capital from internal and external sources; changes in legislation, including but not limited to income tax, environmental laws and regulatory matters. Readers are cautioned that the foregoing list of factors is not exhaustive. Please refer to Canamax’s amended Annual Information Form (“AIF”) dated June 22, 2015 for additional risk factors relating to Canamax. The AIF is available for viewing under the Company’s profile on www.sedar.com.

The forward looking statements contained in this news release are made as of the date of this news release, and Canamax does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as expressly required by securities law.

Financial outlook information contained in this press release about the Company’s prospective cash flows and financial position are subject to the same assumptions, risk factors, limitations, and qualifications as set forth in the above paragraphs. Financial outlook information contained in this press release was made as of the date of this press release and should not be used for purposes other than for which it was disclosed herein.

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*This press release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities described herein. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”), or any state securities laws and may not be offered or sold within the United States or to United States Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.*

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.