

## FAX CAPITAL CORP.

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#### FOR IMMEDIATE RELEASE

#### FAX CAPITAL CORP. ANNOUNCES FILING OF AMENDED AND RESTATED PRELIMINARY PROSPECTUS AND VOTING RESULTS FROM SPECIAL MEETING OF SHAREHOLDERS

**September 26, 2019, Toronto, Ontario** – FAX Capital Corp. (the **Company or FAX**) (CSE: FXC) is pleased to announce that it filed today an amended and restated preliminary prospectus (the **Amended and Restated Preliminary Prospectus**) in respect of the previously announced proposed public offering (the **Offering**) of units of the Company (**Units**) with the securities regulatory authorities in each of the provinces and territories of Canada, which amends and restates the preliminary prospectus dated August 28, 2019.

As announced in the Company's press release dated August 29, 2019, the Offering will be conducted on a best efforts basis by a syndicate of agents (the **Agents**) led by CIBC Capital Markets and National Bank Financial Inc. Each Unit will consist of one subordinate voting share of the Company (a **Subordinate Voting Share**) and one Subordinate Voting Share purchase warrant (a **Founder Warrant**).

The Amended and Restated Preliminary Prospectus amends and restates the preliminary prospectus to, among other things: (i) insert the offering price of the Units to \$4.50 (on a post-consolidated 1 for 5 basis, with the consolidation to take effect on the business day prior to the closing of the Offering (**Closing**)); (ii) reflect the conditional listing approval by both the TSX Venture Exchange (the **TSXV**) on customary terms and conditions, and the Toronto Stock Exchange (the **TSX**) pursuant to the TSX Sandbox requirements and otherwise subject to a \$50 million minimum offering; and (iii) reflect the approval of certain matters by shareholders at the Company's special meeting of shareholders held on September 25, 2019 (the **Meeting**), as further described below. The Company intends to list on the TSXV if it does not meet the TSX listing requirements and to list on the TSX if it meets all of the TSX listing requirements.

"This is an exciting time for FAX and its shareholders as we launch this Offering and take the first step towards significantly growing our business. FAX has been uniquely structured to capitalize on an underappreciated Canadian small cap market, and will be well positioned to make significant long-term investments in high-quality public and private businesses while supporting their growth and development in an effort to accelerate and enhance value creation." said Blair Driscoll, the Company's Chief Executive Officer and Director.

#### Voting Results From Special Meeting of Shareholders

The Company has today announced that the holders of Subordinate Voting Shares and multiple voting shares of the Company (the **Multiple Voting Shares**) approved, as applicable, all of the items of business considered at the Meeting.

At the Meeting, shareholders voted in favour of, among other things:

1. the issuance of Multiple Voting Shares to Fax Investments Inc. (**FII**), a related party of the Company, as a condition to Closing and subject to such Closing (which shareholder approval was received after excluding votes cast at the Meeting by those persons required to be excluded in accordance with Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (**MI 61-101**));
2. the participation in the Offering by directors, senior officers, and control persons of the Company, including control persons of FII (which shareholder approval was received after excluding votes

cast at the Meeting by those persons required to be excluded in accordance with MI 61-101);

3. amendments to and restatements of the rights, privileges, restrictions and conditions in respect of the Subordinate Voting Shares and the Multiple Voting Shares (the **Share Amendments**), such that holders of Subordinate Voting Shares are entitled to one vote per Subordinated Voting Share and holders of Multiple Voting Shares are entitled to 10 votes per Multiple Voting Share upon all matters on which shareholders are entitled to vote, to be effective immediately prior to Closing;
4. confirmation and ratification of a new by-law of the Company providing for certain measures voluntarily adopted by the Company as described in the Amended and Restated Preliminary Prospectus (the **Voluntary Measures By-Law**), to be effective in connection with the Closing; and
5. confirmation and ratification of the Company's long-term incentive plan, as amended and restated, to be effective in the event that the Subordinate Voting Shares and Founder Warrants are listed on the TSXV (the **LTIP**).

Each of these matters is described in detail in the Company's management information circular dated August 28, 2019 (the **Circular**), a copy of which can be found under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com), along with other materials relating to the Meeting. The full text of each of the Share Amendments, the Voluntary Measures By-Law and the LTIP are appended to the Circular.

### **Important Notice**

The Amended and Restated Preliminary Prospectus contains important information relating to the Units and other securities offered by the Offering and has been filed with securities commissions or similar authorities in each of the provinces and territories of Canada. The Amended and Restated Preliminary Prospectus is still subject to completion or amendment and has not yet become final for the purpose of a distribution of securities to the public. This press release does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale or acceptance of an offer to buy these securities in any province or territory of Canada prior to the time a receipt for the final prospectus or other authorization is obtained from the securities commission or similar authority in such province or territory. Copies of the Amended and Restated Preliminary Prospectus may be obtained from one of the Agents or under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

None of the Units, the Subordinate Voting Shares and the Founder Warrants have been or will be registered under the United States *Securities Act of 1933*, as amended (the **U.S. Securities Act**), or any state securities laws. Accordingly, the Units may not be offered or sold within the United States unless registered under the U.S. Securities Act and applicable state securities laws or pursuant to exemptions from the registration requirements of the U.S. Securities Act and applicable state securities laws. This news release does not constitute an offer to sell or a solicitation of an offer to buy any securities of the Company in any jurisdiction in which such offer, solicitation or sale would be unlawful.

### **About FAX Capital Corp.**

The Company is an investment holding company with a business objective to maximize its intrinsic value on a per share basis over the long-term by seeking to achieve superior investment performance commensurate with reasonable risk. The Company intends to invest in equity, debt and/or hybrid securities of high-quality businesses. The Company initially intends to invest in approximately 10 to 15 high-quality small cap public and private businesses located primarily in Canada and, to a lesser extent, the United States.

### **For additional information please contact:**

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### **Cautionary Note Regarding Forward-Looking Information**

*This press release contains forward-looking information. Such forward-looking statements or information are provided for the purpose of providing information about management's current expectations and plans relating to the future. Readers are cautioned that reliance on such information may not be appropriate for other purposes. Any such forward-looking information may be identified by words such as "proposed", "expects", "intends", "may", "will", and similar expressions. Forward-looking information contained or referred to in this press release includes, but may not be limited to, the details of the Offering; the Closing; and the listing of the Subordinate Voting Shares and Founder Warrants on either the TSXV or the TSX.*

*Forward-looking statements or information are based on a number of factors and assumptions which have been used to develop such statements and information, but which may prove to be incorrect. Although the Company believes that the expectations reflected in such forward-looking statements or information are reasonable, undue reliance should not be placed on forward-looking statements because the Company can give no assurance that such expectations will prove to be correct. Factors that could cause actual results to differ materially from those described in such forward-looking information include, but are not limited to, negotiations with the Agents concerning the particulars of the Offering; comments from securities regulatory authorities on the Amended and Restated Preliminary Prospectus and conditions of same for issuing a receipt for the final prospectus; the listing or other conditions imposed by either the TSXV or the TSX for the listing of the Subordinate Voting Shares and the Founder Warrants; and other regulatory approvals required for the Closing. The forward-looking information in this press release reflects the current expectations, assumptions and/or beliefs of the Company based on information currently available to the Company.*

*Any forward-looking information speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise. The forward-looking statements or information contained in this press release are expressly qualified by this cautionary statement.*

*No securities regulatory authority has either approved or disapproved of the contents of this news release. Neither the Canadian Securities Exchange (the **CSE**) nor its Market Regulator (as that term is defined in the policies of the CSE) accepts responsibility for the adequacy or accuracy of this release.*