



Northwest Arm Capital Inc.

NORTHWEST ARM CAPITAL INC. ANNOUNCES PROPOSED QUALIFYING TRANSACTION

HALIFAX, NOVA SCOTIA – (CNW – September 16, 2016) – Northwest Arm Capital Inc. (“**Northwest**” or the “**Company**”) (TSX-V:NWA.P), a capital pool company (“**CPC**”), is pleased to announce that on September 15, 2016, it entered into an arm's length definitive option agreement (the “**Definitive Agreement**”) with Altius Resources Inc. (“**Altius**”), a company existing under the laws of Alberta that is a wholly owned subsidiary of Altius Minerals Corporation (TSX:ALS), a diversified mining royalty company, for the right to earn a 100% interest (subject to underlying royalty interests) in certain mineral claims (the “**Property**”) located near Wilding Lake in the Central Newfoundland area of Newfoundland and Labrador (the “**Transaction**”). The Property is comprised of two separate claim groups totaling 688 claims and 172 square kilometers in Central Newfoundland. It is located immediately northeast and adjacent to the Valentine Lake project of Marathon Gold Corp.

The Transaction is subject to the approval of the TSX Venture Exchange (the “**Exchange**”) and is intended to constitute Northwest’s Qualifying Transaction, as defined under the Exchange Policy 2.4, *Capital Pool Companies*. Northwest will become a Tier 2 Issuer in the Exchange’s Mining Industry Segment upon completion of the Transaction.

Under the terms of the Definitive Agreement, Northwest has the exclusive right to earn a 100% interest in the Property by incurring exploration expenditures of at least \$500,000 within 12 months from the closing of the Transaction (the “**Earn-in Period**”) as part of the work program recommended in a technical report to be prepared at Altius’ expense in connection with the Transaction for the Property and issuing 4,500,000 common shares of Northwest (“**Common Shares**”) to Altius. During the Earn-in Period until the Company earns a 100% interest in the Property, Altius will act as the operator with respect to the Property and will manage all technical and exploration work on the Property on behalf of Northwest. Northwest has agreed to pay Altius a services fee equal to 10% of the exploration expenditures incurred in connection with the evaluation, exploration and development of the Property.

Subject to Exchange approval, Northwest will advance to Altius a refundable deposit in the amount of \$100,000 (the “**Deposit**”) to be credited toward exploration expenditures on the Property. In the event the closing of the Transaction does not occur and the Definitive Agreement is terminated, the Deposit will be repaid by Altius to Northwest within 20 days from the termination of the Definitive Agreement.

Upon acquisition of a 100% interest in the Property by Northwest, Altius will reserve and hold a 2% net smelter royalty in respect of commercial production from the Property (the “**Royalty**”), subject to reduction for underlying royalty obligations, and the parties will enter into a formal royalty agreement in respect of the Royalty.

Subject to Exchange approval, the Company expects to complete a non-brokered private placement financing of 5,000,000 Common Shares at a price of \$0.25 per Common Share in conjunction with the Transaction. Completion of the Transaction is subject to certain conditions, including approval of the Exchange, and completion of due diligence and the private placement financing by the Company.

Upon completion of the Qualifying Transaction, Altius will become an insider of the Company. Pursuant to the Definitive Agreement, Altius has the right to nominate a qualified director to the Board while it beneficially owns at least 10% of the total issued and outstanding Common Shares of Northwest. It is currently anticipated that the existing directors, officers and other insiders of the Company will remain insiders following closing of the Transaction. For background information on existing insiders, see the Company's prospectus dated August 19, 2016, which is available on SEDAR.

Under the terms of the Definitive Agreement, at any time that Altius beneficially owns at least 10% of the total issued and outstanding Common Shares, Altius has the option to participate in any future equity financing of the Company on a pro rata basis on the same terms and conditions as offered to other investors.

Trading of the Common Shares was halted on September 15, 2016 in connection with the announcement of the Transaction and Northwest expects that trading will remain halted pending the completion of the Qualifying Transaction unless the Exchange authorizes an earlier reinstatement of trading in accordance with its policies.

Sponsorship of a Qualifying Transaction of a CPC is required by the Exchange unless an exemption or waiver is granted in accordance with the Exchange policies. Northwest intends to apply for an exemption of the sponsorship requirement for the Transaction.

The Transaction does not constitute a Non-Arm's Length Qualifying Transaction under Exchange policies and, as such, shareholder approval is not expected to be required in connection with the Transaction.

Completion of the Transaction is subject to a number of conditions, including but not limited to, Exchange acceptance and if applicable pursuant to Exchange requirements, majority of the minority shareholder approval. Where applicable, the Transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the Transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the management information circular or filing statement to be prepared in connection with the Transaction, any information released or received with respect to the Transaction may not be accurate or complete and should not be relied upon. Trading in the securities of a capital pool company should be considered highly speculative.

The Exchange has in no way passed on the merits of the proposed Transaction and has neither approved nor disapproved the contents of this news release.

CAUTIONARY STATEMENT:

This press release may contain forward-looking information, such as statements regarding the completion of the Transaction, the advancement of the Deposit to Altius, the planned private

placement financing, the resumption of trading of the Common Shares, sponsorship and shareholder approval requirements for the Transaction and future plans and objectives of the Company. This information is based on current expectations and assumptions (including assumptions in connection with the continuance of the Company as a going concern and general economic and market conditions) that are subject to significant risks and uncertainties that are difficult to predict, including risks relating to the ability to satisfy the conditions to completion of the Transaction and to complete the Company's obligations during the Earn-in Period in order to earn a 100% interest in the Property. Actual results may differ materially from results suggested in any forward-looking information. The Company assumes no obligation to update forward-looking information in this release, or to update the reasons why actual results could differ from those reflected in the forward-looking information unless and until required by securities laws applicable to the Company. Additional information identifying risks and uncertainties is contained in the Company's filings with the Canadian securities regulators, including the Company's prospectus dated August 19, 2016, which filings are available at www.sedar.com.

Neither 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.

For further information:

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