

# Northway Resources Corp. Executes Definitive Amalgamation Agreement with Kenorland Minerals Ltd.

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Vancouver, Sept. 15, 2020 - [Northway Resources Corp.](#) (TSXV: NTW) (the "Company") and [Kenorland Minerals Ltd.](#) ("Kenorland") jointly announce that further to their press release dated July 29, 2020, they have entered into a definitive amalgamation agreement dated September 14, 2020 (the "Amalgamation Agreement"). The transaction contemplated by the Amalgamation Agreement (the "Transaction") will result in a reverse takeover of the Company by Kenorland in accordance with the policies of the TSX Venture Exchange (the "TSXV"). Upon completion of the Transaction, it is anticipated that the Company will be listed as a Tier 2 Mining issuer and will carry on the combined business of the Company and Kenorland (the "Resulting Issuer").

As Kenorland is the holder of 6,000,000 common shares of the Company, representing 14.50% of the issued and outstanding shares (18.44% on a partially diluted basis), the Transaction constitutes a 'business combination as defined in Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("MI 61-101"). As a result, the completion of the Transaction will be subject to the minority approval requirements of MI 61-101. The Transaction is exempt from the valuation requirements of MI 61-101 pursuant to section 4.4(1)(a) of MI 61-101 as the Company is listed on the TSXV. The Transaction was approved by the Board of Directors of the Company, with Zachary Flood abstaining, following a receipt of a fairness opinion from Stephen Semeniuk, CFA and a unanimous recommendation from the Company's special committee which is comprised of three independent directors.

## Amalgamation Agreement

Prior to the closing of the Transaction, the outstanding common shares of the Company ("NTW Shares") will be consolidated on the basis of one (1) new NTW Share for every seven (7) existing NTW Shares (the "Consolidation").

Under the terms of the Amalgamation Agreement, the Transaction will be completed by way of a three corned amalgamation under the Business Corporations Act (British Columbia), whereby:

- 1265114 B.C. Ltd. ("Subco"), a subsidiary created for the purposes of completing the Transaction, will
- (a) amalgamate with and into Kenorland, with the amalgamated entity ("Amalco") becoming a wholly owned subsidiary of the Company;
- (b) each outstanding share of Kenorland shall be converted into the right to receive two (2) post-Consolidation NTW Shares;
- (c) all NTW Shares held by Kenorland will be canceled without any repayment of capital;; and
- (d) Amalco will become a wholly-owned subsidiary of the Company.

Concurrently with closing of the Transaction, the Company is expected to change its name to "[Kenorland Minerals Ltd.](#)" or such other name as the parties may determine.

In connection with the Transaction, Kenorland plans to complete a concurrent financing of 12,000,000 subscription receipts to raise aggregate gross proceeds of \$12,000,000 (the "Private Placement"), with each subscription receipt converted into shares of Kenorland immediately prior to the completion of the Transaction. Not including shares issuable pursuant to the Private Placement, an aggregate of 35,473,144 common shares of the Resulting Issuer (the "Resulting Issuer Shares") will be issued and outstanding, of which (i) the current shareholders of the Company (excluding Kenorland whose NTW Shares will be cancelled) will hold 5,055,143 Resulting Issuer Shares, representing approximately 14.25% of the outstanding Resulting Issuer Shares; and (ii) the current shareholders of Kenorland will hold 30,418,002 Resulting Issuer Shares, representing approximately 85.75% of the outstanding Resulting Issuer Shares.

Pursuant to the terms of the Amalgamation Agreement, completion of the Transaction will be subject to a number of conditions, including but not limited to, closing conditions customary to transactions of the nature of the Transaction, including the completion of the Consolidation, the completion of the Private Placement, approval of the shareholders of the Company and Kenorland, approvals of all regulatory bodies having jurisdiction in connection with the Transaction and approval of the TSXV including the satisfaction of its initial listing requirements. There can be no assurance that the Transaction will be completed as proposed or at all.

#### Shareholder Meeting

The Company and Kenorland anticipate holding shareholder meetings in the third quarter of 2020 to seek shareholder approval for the Transaction. A joint management information circular of the Company and Kenorland containing additional details about the Transaction will be mailed to shareholders in advance of the meetings.

#### Trading Halt

Trading in the NTW Shares will remain halted pending the satisfaction of all applicable requirements of Policy 2.4 of the TSX-V. There can be no assurance that trading of NTW Shares will resume prior to the completion of the Transaction.

#### Information Concerning Kenorland

Kenorland is a private exploration company incorporated under the laws of the Province of British Columbia and based in Vancouver, British Columbia, Canada. Kenorland's business model is project generation focused on early to advanced stage exploration assets. The company currently holds three properties where work is being completed under an earn-in agreement from third parties. The Frotet and Chicobi Projects, which are both located in Quebec, Canada, are optioned to Sumitomo Metal Mining Canada Ltd. and the Chebistuan Project, also located in Quebec, is optioned to Newmont Mining. The company also owns 100% of the advanced stage Tanacross porphyry Cu, Au, Mo project in Alaska, USA. Additional information concerning Kenorland is available at [www.kenorlandminerals.com](http://www.kenorlandminerals.com).

#### Forward-Looking Statements

This news release contains certain "forward looking statements" including, for example, statements relating to the completion of the Transaction and Private Placement and the Resulting Issuer's anticipated share capital. Such forward-looking statements involve risks and uncertainties, both known and unknown. The results or events depicted in these forward-looking statements may differ materially from actual results or events. In addition to other factors and assumptions which may be identified herein, assumptions have been made regarding and are implicit in, among other things: receipt of regulatory approvals, the Company's ability to complete the Transaction and Private Placement, the state of the capital markets, the impact of the COVID-19 pandemic, the ability of the Resulting Issuer to successfully manage the risks inherent in pursuing business opportunities in the mining industry, and the ability of the Resulting Issuer to obtain qualified staff, equipment and services in a timely and cost efficient manner to develop its business. Any forward-looking statement reflects information available to the Company as of the date of this news release and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise.

For more information visit our website [www.northwayresources.com](http://www.northwayresources.com)

On behalf of the Board of Directors

Zachary Flood  
President and Chief Executive Officer

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Completion of the Transaction is subject to a number of conditions, including but not limited to, TSX-V acceptance and if applicable pursuant to TSX-V requirements, disinterested 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 the Company should be considered highly speculative.

The TSX-V has in no way passed upon the merits of the Transaction and has neither approved nor disapproved the contents of this news release.

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

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