



**April 3, 2017**  
**Saskatoon, Saskatchewan**

## **FOR IMMEDIATE RELEASE**

### **PrimeWest Mortgage Investment Corporation files its December 31, 2016 audited financial statements**

Saskatoon, April 3, 2017/CNW/ – PrimeWest Mortgage Investment Corporation ("**PrimeWest**" or the "**Corporation**") announced that the audited December 31, 2016 financial statements have been released together with the Audit Report provided by Ernest & Young LLP, auditors of the Corporation. The financial statements include restated previously reported 2015 Statement of Financial Position and 2015 Statement of Comprehensive Income and an adjustment to 2015 opening retained earnings.

During the year ended December 31, 2016, the Corporation's new management performed a detailed review of its mortgage portfolio. The Corporation determined that certain loss events occurred in prior periods that should have more properly been considered in determining the specific allowance for mortgage losses at December 31, 2015 and 2014. In addition it was determined that the security value assigned to certain mortgages and assets taken in settlement of debt were not appropriate and did not consider facts and circumstances that existed at December 31, 2015 and 2014. The combination of these events also impacted the collective allowance that should have been recorded as of December 31, 2015 and 2014 and were considered as errors in accordance with IFRS. These matters relating to the specific and collective allowance and the valuation of assets taken in settlement of debt have been corrected by restating each of the financial statements line items for the prior periods.

The Corporation has recorded specific allowances for loan losses where impairment indicators have emerged and losses are expected to occur. The cumulative individual specific allowances as recorded in the December 31, 2016 financial statements by year are:

December 31, 2016 -	\$5,404,882
December 31, 2015 -	\$2,382,419
December 31, 2014 -	\$ 252,789

Collective allowances were recorded for incurred loss events for which there is objective evidence but whose effects are not yet evident. The cumulative collective allowances as recorded in the December 31, 2016 financial statements by year are:

December 31, 2016 -	\$859,554
December 31, 2015 -	\$720,722
December 31, 2014 -	\$341,893

The collective allowance, required by IFRS accounting standards, takes account of data from the mortgage portfolio based on analysis of historical data, such as credit quality, level of arrears, historical performance and economic outlook.

The Net Asset Value of the Corporation, as stated in the December 31, 2016 financial statements is \$6.50 per share.

#### First Quarter Events in 2017:

During the first quarter of 2017 the Corporation has continued with loan and asset recoveries with proceeds in the sum of approximately \$1,355,000 being received from the sale of 5 foreclosed properties and mortgage payouts. The Corporation is expecting additional proceeds of approximately \$795,000 in the next two weeks.

Three large loans exist within the mortgage portfolio, one residential and two commercial, which are being overseen by Management, as payments are in arrears. Efforts are being made to cause these properties to be sold by the mortgagors, with legal steps also being implemented to advance the interests of the Corporation.

As a result of the significant loan losses recorded, all dividends and/or redemptions will continue to be suspended until further notice.

The 2017 shareholders meeting has been set by the Directors to occur on June 8, 2017 in Regina, Saskatchewan.

#### **About PrimeWest**

PrimeWest was incorporated as a Mortgage Investment Corporation in 2005 and is based in Saskatoon, Saskatchewan. PrimeWest is a reporting issuer in the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba and Ontario. The Corporation's Class A common shares are listed for trading on the Canadian Securities Exchange under symbol PRI.

<http://thecse.com/en/listings/diversified-industries/primewest-mortgage-investment-corporation>

PrimeWest filings can be found on SEDAR at the following link:

<http://www.sedar.com/DisplayCompanyDocuments.do?lang=EN&issuerNo=00025992>

#### **FOR FURTHER INFORMATION CONTACT:**

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