



For Immediate Release: December 6, 2013

PrimeWest Mortgage Investment Corporation Announces Transition to Public Company Regulatory Regime

SASKATOON, SASKATCHEWAN, DECEMBER 6, 2013 /CNW/ - PrimeWest Mortgage Investment Corporation ("**PrimeWest**" or the "**Corporation**") announced today that at a Special Meeting of Shareholders held on November 27, 2013 (the "**Meeting**") the shareholders resolved, among other things, to approve the transition (the "**Transition**") of the Corporation from the Canadian securities regulatory regime for investment funds (the "**Investment Fund Regime**") to the regulatory regime for non-investment fund reporting issuers (the "**Public Company Regime**").

The decision is in response to Canadian Securities Administrators ("**CSA**") proposed regulatory changes to mortgage investment rules governing non-redeemable investment funds published on March 27, 2013 (the "**Proposed Regulatory Changes**"). The Proposed Regulatory Changes, when implemented, will impact issuers that are classified under Canadian Securities laws as investment funds and particularly wherein any investment fund will be prohibited from investing in mortgages other than mortgages that are fully and unconditionally guaranteed by the Government of Canada, the government of a province or territory of Canada or by an agency of such government.

The Corporation's transition from Investment Fund Regime to Public Company Regime is to occur effective January 1, 2014 and following the Transition, the Corporation will continue to qualify as a mortgage investment corporation ("**MIC**") under the Income Tax Act (Canada) and will retain the same investment objectives and strategies. Some key differences between the operation of the Corporation before and after the Transition are as follows:

Key Differences between Investment Fund Regime and Regular Reporting Issuer Regime

| | | INVESTMENT FUND REGIME | PUBLIC COMPANY REGIME |
|------------------------------|-------------------------|---|--|
| Financial Statements | Unaudited: Audited: | - Semi-Annual - Annual | - Quarterly - Annual |
| Basics of Accounting | Disclosure: | - Canadian Generally Accepted Accounting Principles (GAAP) | - International Financial Reporting Standards (IFRS) |
| Discussion of Results | Report: | Management Report of Fund Performance | Management's Discussion and Analysis |
| | Frequency: Prepared: | - Annual - Form 81-106F1 – <i>Contents of Annual and Interim Report of Fund Performance</i> | - Annual - Form 51-102F1 – <i>Management's Discussion & Analysis</i> |
| | Disclosure: | - Investment objective and strategies - Results of operations and recent developments - Related party transactions - Financial highlights - Past performance - Summary of investment portfolio - Other material information | - Overall performance - Selected annual information - Discussion of operations - Summary of quarterly results - Liquidity, capital resources and off-balance sheet arrangements - Transactions between related parties - Proposed transactions - Critical accounting estimates and changes in accounting policies |
| | Frequency: Prepared: | - Semi-Annual - Form 81-106F1 – <i>Contents of Annual and Interim Report of Fund Performance</i> | - Quarterly - Form 51-102F1 – <i>Management's Discussion & Analysis</i> |
| Annual | Filed: | - Not later than 90 days after the end of its | - N/A |

| | | INVESTMENT FUND REGIME | PUBLIC COMPANY REGIME |
|-------------------------|-----------|--|------------------------------|
| Information Form | Prepared: | most recently completed financial year - Form 81-101F2 – <i>Contents of Annual Information Form</i> | - N/A |

The Corporation's Board has determined that the Transition is in the Corporation's best interest and provides shareholders with a number of benefits, including:

- The Corporation's ability to continue its operations in accordance with existing investment objectives and strategies;
- The transition into a structure that investors, who do not normally invest in closed-ended investment funds, may find more attractive; and
- Increased frequency of financial reporting from semi-annually to quarterly.

Amendments to the Corporations Articles

At the Special Meeting of Shareholders held on November 27, 2013, the Shareholders present determined to remove any restrictions on share transfers and to allow the Corporation to redeem shares at a price that is less than \$10.00 per Class A Share, at the discretion of the holder, with the Class A Shares being redeemable by the Corporation at a price equal to the lesser of (a) \$10.00 per Class A Share; or (b) the book value per Class A Share, plus (in both cases) dividends that are declared and accruing due or declared but not paid, prior to any "Notice of Redemption"; where book value means the total shareholders' equity as shown on the most recent audited annual financial statements of the Corporation.

This amendment to the Articles will ensure that when a shareholder calls for retraction of Class A shares, restrictions under *The Business Corporations Act* (Sask) will not prohibit PrimeWest's ability to redeem such shares.

About PrimeWest Mortgage Investment Corporation

PrimeWest is a public corporation based in Saskatoon, Saskatchewan and is the only Saskatchewan-based mortgage investment corporation. PrimeWest is a reporting issuer in the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba and Ontario. The securities of PrimeWest are not listed or posted for trading on any exchange.

No securities regulatory authority has either approved or disapproved of the contents of this news release. The securities described above have not been registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements. This news release does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the securities in any state in which such offer, solicitation or sale would be unlawful.

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