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PrimeWest Mortgage Investment Corporation Announces Proposals to Transition from Investment Fund to Regular Reporting Issuer and to Amend the Redemption Provisions of its Articles

SASKATOON, SASKATCHEWAN, SEPTEMBER 5, 2013 /CNW/ - PrimeWest Mortgage Investment Corporation ("**PrimeWest**" or the "**Corporation**") has announced that its board of directors intends to call a special meeting of shareholders (the "**Meeting**") to, among other things, consider and, if thought advisable, (1) pass an ordinary resolution authorizing the Corporation to transition (the "**Proposed Transition**") from an investment fund to a regular reporting issuer under applicable Canadian securities laws and (2) pass a special resolution authorizing PrimeWest to amend (the "**Proposed Amendment**") the redemption provisions of its articles.

The Proposed Transition to a Regular Reporting Issuer

The Canadian Securities Administrators have recently undertaken a review of mortgage investment corporations in Canada and have concluded that certain mortgage investment corporations, such as PrimeWest, should not properly be characterized as investment funds under applicable Canadian securities laws due to the nature of their investment activities. The Proposed Transition is, in part, a pro-active response to such direction from the Canadian Securities Administrators.

As well, the Canadian Securities Administrators have recently published proposed regulatory changes that would, if implemented, prevent any investment fund 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, among other things. Following the Proposed Transition, the foregoing proposed regulatory changes will not apply to PrimeWest and, as such, PrimeWest will be able to maintain the same investment objectives and strategies that it currently has and it will continue to qualify as a mortgage investment corporation under the *Income Tax Act* (Canada).

PrimeWest's board of directors is of the view that the Proposed Transition is in the best interest of the Corporation and will provide shareholders with a number of other benefits, including increased frequency of financial reporting.

The Proposed Amendment to PrimeWest's Articles

In addition to the Proposed Transition, shareholders will be asked at the Meeting to approve certain amendments to the Corporation's articles to change PrimeWest's share redemption procedures.

PrimeWest's articles currently permit the Corporation to redeem, and the holders of Class A shares of PrimeWest to call for retraction of, Class A shares at a fixed price of \$10.00 per share plus dividends that are declared but not paid or not declared but accruing due. In the past, the Corporation has at times been restricted in the manner in which it is able to redeem Class A shares when shareholders have called for retraction due to certain restrictions under *The Business Corporations Act* (Saskatchewan). The Proposed Amendment will allow the Corporation to redeem shares at a price that is less than \$10.00 per Class A share if the lower price is acceptable to the shareholder requesting the retraction. Essentially, the Proposed Amendment is intended to ensure that when a shareholder calls for retraction of Class A Shares, restrictions under *The Business Corporations Act* (Saskatchewan) will not inhibit PrimeWest's ability to redeem such shares.

Anticipated Timeline

PrimeWest's board of directors anticipates that the Meeting will be held by the end of 2013. A notice of meeting and management information circular containing additional details about the resolutions to be considered at the Meeting will be mailed to all registered shareholders in due course.

It is further anticipated that, provided that shareholder approval is obtained, the Proposed Transition and the Proposed Amendment will both be in effect by the first quarter of 2014.

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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For further information, please contact:

Tom Archibald, Chairman
PrimeWest Mortgage Investment Corporation
Phone: (888) 955-1002
E-mail: tarchibald@primewest.ca

Visit our website: www.primewest.ca