

NEWS RELEASE

October 4, 2010
Saskatoon, SK
For Immediate Release

PrimeWest Mortgage Investment Corporation Announces Private Placement Offering

PrimeWest Mortgage Investment Corporation ("**PrimeWest**"), a Saskatchewan based mortgage investment corporation, is pleased to announce its plans to proceed with a private placement offering of up to 150,000 Class A shares, at a price of \$10 per share, to raise a maximum of \$1,500,000. The minimum investment per investor under the terms of the offering is \$25,000.

PrimeWest has not engaged an exclusive agent in respect of the offering but may engage one or more agents to assist with the offering on a non-exclusive basis. The terms of such engagement, including the commission payable, will be agreed to by PrimeWest and such agent at the time of such engagement. PrimeWest expects to pay a commission of no more than 4% .

The offering is being conducted in reliance on the offering memorandum exemption in National Instrument 45-106 - *Prospectus and Registration Exemptions* and is available to persons resident in or otherwise subject to the securities laws of the Provinces of British Columbia, Alberta, Saskatchewan and Manitoba or such other jurisdiction agreed to by PrimeWest. A subscription will only be accepted if, among other things, PrimeWest is satisfied that the subscription can be made in reliance upon an exemption from the prospectus and registration requirements of securities laws in the jurisdiction of residence of the investor.

Shares issued in connection with the offering are subject to a hold period and may not be traded before that date which is four months and a day following issuance of such shares.

Closings may occur from time to time on such dates as PrimeWest and any applicable agent may determine. All such closings shall occur on or before November 2, 2010.

The net proceeds of the offering will be used to make loans secured by mortgages on real property primarily located in Saskatoon and Regina in the Province of Saskatchewan, with potential expansion into Winnipeg, Manitoba.

PrimeWest is based in Saskatoon, Saskatchewan and is the only mortgage investment corporation in the Province of Saskatchewan funded by a public offering. 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.

Launched in 2005, PrimeWest has raised over \$20 million in capital through a combination of public and private equity placements, providing an average four year return of 8.12% and has over 500 shareholders across western Canada and Ontario.

PrimeWest is overseen by an experienced board of directors representing many sectors within the real estate and investment industries.

The securities offered 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 shall 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.

Not for distribution to U.S. news wire services or dissemination in the United States.

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