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## NEWS RELEASE

### LOWELL COPPER, GOLD MOUNTAIN MINING AND ANTHEM UNITED ANNOUNCE A PROPOSED COMBINATION TO CREATE A NEW MULTI-ASSET GOLD AND COPPER COMPANY

Vancouver, British Columbia, August 15, 2016 - **Lowell Copper Ltd.** ("Lowell Copper") (TSX-V:JDL), **Gold Mountain Mining Corporation** ("Gold Mountain") (TSX-V:GUM) and **Anthem United Inc.** ("Anthem") (TSX-V:AFY) are pleased to announce they have signed a definitive agreement (the "Arrangement Agreement") to complete a business combination, creating a new diversified gold and copper production and development company. The new company will have a pre-financing market capitalization of approximately CDN\$74 million. In connection with the business combination, Lowell Copper will undertake a private placement financing of subscription receipts for gross proceeds of up to CDN\$40 million (the "Concurrent Financing", and, collectively with the Arrangement Agreement, the "Transaction").

#### Highlights of the Transaction

- **Immediate Gold Production:** The new company will have immediate exposure to gold production through milling operations in Peru;
- **Growth Portfolio:** A multi-asset development portfolio will provide an attractive organic growth pipeline;
- **Reduced Risk:** A strengthened treasury and diversified asset portfolio reduces the risk associated with single asset companies;
- **Highly Experienced Team:** The new company will have an established Board and Management with a strong track record of adding value and financial discipline:
  - Greg Smith will be Chief Executive Officer of the combined company.
  - The Board of Directors will include J. David Lowell, Catherine McLeod-Seltzer, Marcel de Groot and Jim O'Rourke
- **Enhanced Capital Markets Profile:** The new company will benefit from increased scale, access to capital, liquidity and market profile;
- **Robust Platform:** The new company will be well positioned to identify and execute on accretive opportunities; and
- **Strong Shareholder Base:** The new company will be supported by a strong shareholder base characterized by significant insider and institutional ownership.

#### Compelling Combination

The Transaction creates a financially strong, emerging gold-copper production and development company. Upon completion of the Transaction, the combined company will have:

- A majority interest in an operating industrial gold processing plant located in the Arequipa region of southern Peru authorized to process up to 350 tonnes of mineralized feed per day;
- Measured and indicated gold resources of 301,000 ounces and inferred resources of 263,000 ounces at the Elk Gold Project in southern British Columbia;
- Inferred resource of 195 million tonnes containing over 1.8 billion pounds of copper and 12 million pounds of molybdenum for a copper equivalent grade of 0.61% at the Warintza Project in Ecuador;
- A prospective Cu-Mo land package at the Ricardo Project in Chile; and
- Estimated cash, cash equivalents and marketable securities of approximately CDN\$5 million, pre-financing and net of debt.

Management and the Boards of Directors of all three companies believe the Transaction will provide the shareholders of each company with the opportunity to participate in a larger and financially strong company with a broader range of growth prospects, a more diversified asset base and an experienced management team and board.

Mr. J. David Lowell, President and CEO of Lowell Copper, said: "This transaction represents an attractive opportunity for Lowell Copper to expand and diversify its asset base and allow its shareholders to benefit from being part of an emerging metals company with an experienced team and expanded portfolio. With a significant interest in the new company, Lowell Copper will maintain meaningful upside exposure to Warintza, while also accessing immediate gold production and near term gold development ounces."

Mr. Chris McLeod, President and CEO of Gold Mountain, said: "We are pleased to include our Elk gold project as part of the foundation for the new company. The proposed leadership have a track record of building high valued mining companies and we look forward to participating in what we expect to be substantial value creation going forward."

Mr. Greg Smith, President and CEO of Anthem, commented: "We are extremely pleased to team with Lowell Copper and Gold Mountain in the creation of a new gold-copper company. We will have the portfolio, scale and leadership team to execute on our long-term strategy to build a significant and profitable producing gold-copper company."

### **Management and Directors**

Upon completion of the Transaction, Greg Smith, currently Chief Executive Officer of Anthem, will assume that role for the combined company. J. David Lowell, Greg Smith, Catherine McLeod-Seltzer and Marcel de Groot, will remain directors of the new Company, and will be joined by incoming director Jim O'Rourke.

**Greg D. Smith:** Mr. Smith is the Chief Executive Officer and a founding shareholder of Anthem. Mr. Smith was formally the Chief Financial Officer of Minefinders Corporation Ltd. which was acquired by Pan American Silver for \$1.5 billion in March 2012 and the Chief Executive Officer of Esperanza Resources which was acquired by Alamos Gold in August 2013.

**J. David Lowell:** Mr. Lowell is one of the world's most successful exploration geologists with a track record of over 15 large scale mine discoveries including the Toromocho and La Escondida copper deposits in Peru and Chile.

**Catherine McLeod-Seltzer:** Ms. McLeod-Seltzer is the Chairman and a director of Bear Creek Mining Corp and a director of Kinross Gold. She has raised more than \$600 million in working capital for mining exploration over the past 25 years. Ms. McLeod-Seltzer co-founded Arequipa Resources and Peru Copper which were both acquired by major producers in transactions that totaled approximately \$2 billion.

**Marcel de Groot:** Mr. de Groot is the Co-founder and President of Pathway Capital Ltd. and is also a director of Asanko Gold. Pathway Capital Ltd. has been involved with numerous successful mining ventures including Sandstorm Gold and Peru Copper.

**Jim O'Rourke:** Mr. O'Rourke is the President and founding shareholder of Copper Mining Corp. Mr. O'Rourke was the 2005 recipient of the Edgar A. Scholtz Medal for Excellence in Mine Development. In 2010, Mr. O'Rourke was the recipient of the Mining Person of the Year award for British Columbia and was the recipient of the Order of British Columbia in 2011. In 2013, Mr. O'Rourke was inducted into the Canadian Mining Hall of Fame.

### **Transaction Details**

Under the terms of the Arrangement Agreement, shareholders of Gold Mountain will receive 1.032 pre-consolidated common shares of Lowell Copper for each common share of Gold Mountain held (the "Gold Mountain Exchange Ratio"). Holders of each outstanding Gold Mountain convertible security will be entitled to acquire that number of common shares of Lowell Copper based on the Gold Mountain Exchange Ratio.

Shareholders of Anthem will receive 0.774 of a pre-consolidated common share of Lowell Copper for each common share of Anthem held (the "Anthem United Exchange Ratio"). Holders of each outstanding Anthem convertible security will be entitled to acquire that number of common shares of Lowell Copper based on the Anthem United Exchange Ratio.

In connection with the Transaction the combined company will consolidate its share capital on a 6.45 for 1 basis with corresponding adjustments to its convertible securities, subject to shareholder approval.

Upon completion of the Transaction, assuming completion of the proposed consolidation and excluding shares issued pursuant to the Concurrent Financing, the combined company will have approximately 36.9 million common shares issued and outstanding, of which former Lowell Copper shareholders will own 42%, former Gold Mountain shareholders will own 29% and former Anthem shareholders will own 29%.

Upon completion of the Transaction, Gold Mountain and Anthem will become wholly-owned subsidiaries of Lowell, and Gold Mountain's shares and Anthem's shares will be de-listed from the TSX Venture Exchange. It is expected that Lowell Copper will apply to cause Gold Mountain and Anthem to cease being reporting issuers under applicable Canadian securities laws.

The Transaction is expected to be structured as a plan of arrangement under the British Columbia Business Corporations Act and is subject to the completion of confirmatory due diligence, TSX-V and other regulatory and court approvals or orders, raising minimum gross proceeds of CDN\$10 million from the Concurrent Financing and obtaining a minimum two-thirds shareholder approval at special meetings of the shareholders of each of Gold Mountain and Anthem and majority approval at a special meeting of the shareholders of Lowell Copper.

The terms and conditions of the Arrangement Agreement will be disclosed in detail in a joint management information circular which is expected to be filed and mailed to Lowell Copper, Gold Mountain and Anthem shareholders within the next several weeks. The Arrangement Agreement includes a customary non-solicitation clause, right to match covenants and provides for the payment of an aggregate CDN\$1 million break fee to the parties to the Transaction under certain circumstances.

The Transaction is expected to be completed in late September 2016 or such other date as the parties may agree.

### **Concurrent Financing**

As part of the Transaction, Lowell Copper will undertake a non-brokered private placement financing of Subscription Receipts at a price of CDN\$2.00 per Subscription Receipt for gross proceeds of up to CDN\$40 million.

Each Subscription Receipt will entitle the holder to receive automatically upon closing of the Transaction, without any further action on the part of the holder and without payment of additional consideration, one post-consolidated common share (a "Common Share") and one post-consolidated share purchase warrant (a "Warrant") of Lowell Copper. Each Warrant will entitle the holder to acquire one Common Share at a price of CDN\$3.00 for a period of five years following the date of the closing of the Transaction. The Warrants issued pursuant to the Concurrent Financing are expected to be listed for public trading on the TSX Venture exchange, subject to compliance with applicable TSX-V policies.

The proceeds from the Concurrent Financing will be used first to increase gold production from the Koricancha Mill in Peru, then toward advancing the Elk Gold project in BC and the Warintza project in Ecuador, to take advantage of potential acquisition opportunities and for general corporate purposes.

### **Board of Directors' Recommendations and Voting Support**

The Boards of Directors of each company have received a fairness opinion with respect to the Transaction consideration and are recommending approval of the Transaction by their respective shareholders. The respective Boards of Directors have unanimously approved the Transaction. All of the directors and senior officers of each of Lowell Copper, Gold Mountain and Anthem have indicated that they intend to vote their respective shares of Lowell Copper, Gold Mountain and Anthem in favour of the Transaction.

Certain shareholders of Gold Mountain and Anthem have entered into lock-up agreements with Lowell Copper pursuant to which each has agreed to vote in favour of the transaction, which together represent approximately 49% of the issued and outstanding common shares of Gold Mountain and 44% of the issued and outstanding common shares of Anthem.

Certain shareholders of Lowell Copper have entered into lock-up agreements with Gold Mountain and Anthem pursuant to which each has agreed to vote in favour of the Transaction, which together represent approximately 52% of the issued and outstanding common shares of Lowell Copper.

### **Advisors**

The Transaction was negotiated on an arm's length basis. Ross Glanville and Associates Ltd. have provided a fairness opinion to Lowell Copper and its board of directors in connection with the Transaction indicating the Transaction is fair from a financial point of view to the shareholders of Lowell Copper. Evans and Evans Inc. provided a fairness opinion to Gold Mountain and its board of directors in connection with the Transaction indicating the Transaction is fair from a financial point of view to the shareholders of Gold Mountain. Evans and Evans Inc. also provided a fairness opinion to Anthem and its board of directors in connection with the Transaction indicating the Transaction is fair from a financial point of view to the shareholders of Anthem.

### **About Lowell Copper Inc.**

Lowell Copper is a copper exploration and development focused company led by J. David Lowell and is listed on the TSX-V. The Company was founded to leverage the current market conditions and build a portfolio of economic copper projects through a combination of exploration, mergers and acquisitions by utilizing the considerable experience and success of management and directors of the Company.

### **About Gold Mountain Mining Corporation**

Gold Mountain is a public resource company managed by an experienced team of professionals with a solid track record of exploration, development and operational success. The Company owns 100% of the 16,700 hectare Elk Gold property, which it intends to develop into a precious metal producer, and is also seeking additional near term production assets to further build shareholder value.

### **About Anthem United Inc.**

Anthem is focused on building a precious metals producing company through the acquisition and development of silver and gold mineral assets. The Company is currently advancing the operation of the 350 tonne per day Koricancha Mill in Peru, in which it owns a 75% interest as well as an 8% cost of sales royalty payable to Anthem. The Company's joint venture partner, EMC Green Group S.A., owns the remaining 25% and is the operator of the Koricancha Mill. The Koricancha Mill produces gold for its own account by processing gold-bearing material purchased from small scale and artisanal miners in Peru.

### **Qualified Persons**

J. David Lowell, the Chairman and Chief Executive Officer of Lowell Copper, is the Qualified Person as defined under National Instrument 43-101 responsible for the technical disclosure in respect of the Warintza and Ricardo projects in this news release.

Peter Holbek, M.Sc., P. Geo, is the Qualified Person as defined under National Instrument 43-101 responsible for the technical disclosure in respect of the Elk Gold project in this news release.

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The Private Placement is exempt from prospectus and registration requirements of applicable securities laws. None of the securities issuable in the Transaction have been or will be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or any state securities laws, and accordingly, no securities may not be offered or sold within the United States or to "U.S. Persons", as such term is defined in Regulation S promulgated under the U.S. Securities Act, except in compliance with exemptions from the registration requirements of the U.S. Securities Act and applicable state securities law. This news release shall not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States.

**Cautionary Note Regarding Forward-Looking Statements**

This release contains certain "forward looking statements" and certain "forward-looking information" as defined under applicable laws. Forward-looking statements can generally be identified by the use of forward-looking terminology such as "may", "will", "expect", "intend", "estimate", "anticipate", "believe", "continue", "plans" or similar terminology. Forward-looking statements include, but are not limited to, statements relating to the benefits of the Transaction to Lowell Copper, Gold Mountain and Anthem and their respective shareholders, the receipt of required shareholder, court, stock exchange and regulatory approvals for the Transaction, the ability of the parties to satisfy the conditions to, and to complete the Transaction; the closing of the Transaction, access to capital markets of Lowell Copper the anticipated closing of the Private Placement, the anticipated size of the Private Placement, the receipt of approval from the TSX Venture Exchange, the expected use of proceeds from the Private Placement and the anticipated closing of the Transaction. Forward-looking statements are based on the expectations of the parties and assumptions that, while believed to be reasonable at the time of such forecasts, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Certain of the statements made herein are forward-looking and subject to

various risks and uncertainties, both known and unknown, many of which are beyond the ability of the parties to control or predict. Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements. Forward-looking information is subject to known and unknown risks and uncertainties that may cause actual results, performance or achievements to be materially different from those expressed or implied by such forward-looking information, and are developed based on assumptions about such risks, uncertainties and other factors set out herein, including but not limited to completion of confirmatory due diligence, material adverse changes in the business or operations of any of the parties, global or macroeconomic changes affecting the parties or their business, the inherent uncertainty of operations and the potential for unexpected costs and expenses, commodity price fluctuations, currency fluctuations, regulatory restrictions, competition, loss of key employees, and other related risks and uncertainties related to the business or the transaction. The parties undertake no obligation to update forward-looking information except as required by applicable law. Such forward-looking information represents management's best judgment based on information currently available. No forward-looking statement can be guaranteed and actual future results may vary materially. Accordingly, readers are advised not to place undue reliance on forward-looking statements or information.