

# Northway Resources Corp.

July 30, 2019

## INITIAL PUBLIC OFFERING TERM SHEET

*An final prospectus containing important information relating to the securities described in this document has been filed with the securities regulatory authorities in each of British Columbia, Alberta and Ontario. Copies of the final prospectus may be obtained from Haywood Securities Inc. at [ecm@haywood.com](mailto:ecm@haywood.com)]*

*This document does not provide full disclosure of all material facts relating to the securities offered. Investors should read the preliminary, final prospectus and any amendment, for disclosure of those facts, especially risk factors relating to the securities offered, before making an investment decision.*

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| <b>ISSUER:</b>                               | Northway Resources Corp. (“ <b>Northway</b> ” or the “ <b>Company</b> ”)   |
| <b>AMOUNT:</b>                               | Minimum of \$1,500,000 and maximum of \$2,000,000  |
| <b>OFFERING:</b>                             | Treasury offering of common shares (“ <b>Common Shares</b> ”) in the capital of the Company.   |
| <b>PRICE:</b>                                | \$0.10 per Common Share (the “ <b>Issue Price</b> ”)   |
| <b>OVER-ALLOTMENT:</b>                       | The Company grants the Agents an option, exercisable, in whole or in part by Haywood, giving notice to the Company at any time up to 30 days following the Closing Date (as defined below) to sell up to an additional number of Common Shares equal to 15% of the Common Shares sold pursuant to the Offering at a price per Common Share equal to the Issue Price.   |
| <b>TRANSACTION STRUCTURE:</b>                | Best-efforts prospectus offering of Common Shares in the Qualifying and Selling Jurisdictions.   |
| <b>QUALIFYING AND SELLING JURISDICTIONS:</b> | The Common Shares will be eligible for sale in British Columbia, Alberta and Ontario. The Common Shares may be offered for sale in the United States to Qualified Institutional Buyers (as defined in Rule 144A under the United States Securities Act of 1933, as amended (the “1933 Act”) and to Institutional Accredited Investors (as defined in Rule 501(a)(1), (2), (3) or (7) of Regulation D under the 1933 Act) by way of private placement pursuant to an exemption from the registration requirements of the 1933 Act (collectively, the “Qualifying Jurisdictions”). |
| <b>USE OF PROCEEDS:</b>                      | The net proceeds from the Offering will be used to fund the exploration and development of the Company’s mineral project, and for working capital.   |
| <b>LISTING:</b>                              | The Company shall obtain the necessary approvals to list the Common Shares on the TSX Venture Exchange (the “ <b>TSXV</b> ”), which listing shall be approved prior to the Closing Date.   |
| <b>SYNDICATE:</b>                            | Co-led by Haywood Securities Inc. and Echelon Wealth Partners Inc.   |
| <b>ELIGIBILITY:</b>                          | Eligible under the usual statutes as well as for RRSPs, RRFs, DPSPs, RESPs and TFSAAs.   |
| <b>CLOSING:</b>                              | On such date as agreed between the Company and the Agent (the “ <b>Closing Date</b> ”).  |
| <b>CONCURRENT PRIVATE PLACEMENT</b>          | The Company intends to complete a concurrent non-brokered private placement offering of up to 8,000,000 Common Shares at the Issue Price in the Qualifying Jurisdictions. The Common Shares issuable thereunder shall be subject to the hold period set out in National Instrument 45-102 –Resale of Securities applicable to non-reporting issuers and are NOT eligible investments for RRSPs, RPSPs, RESPs, DPSPs and TFSAAs   |



