

Waterloo Announces Reverse Take Over With Lowell Copper Inc. to Form a New Copper Exploration and Development Company

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VANCOUVER, Feb. 25, 2013 - [Waterloo Resources Ltd.](#) (TSX VENTURE:WAT) ("Waterloo" or the "Company") is pleased to announce that the Company has entered into an arrangement agreement dated February 24, 2013 (the "Agreement") with Lowell Copper Inc. ("Lowell Copper") pursuant to which Waterloo will acquire all of the issued and outstanding common shares of Lowell Copper (the "RTO").

Lowell Copper Inc. was founded by its President and CEO, J. David Lowell. The previous two public companies founded by Mr. Lowell are Arequipa Resources Ltd. (acquired by [Barrick Gold](#) for approximately \$1.1 billion) and [Peru Copper Inc.](#) (acquired by Aluminum Corporation of China or CHINALCO for \$850 million). The principal asset of Lowell Copper is the "Warintza" property, a copper-molybdenum porphyry property in Ecuador. In addition, subject to due diligence, Lowell Copper has entered into an agreement to acquire a copper exploration project in Chile. In addition to Mr. Lowell being appointed as the Chairman and CEO of the combined company (the "Resulting Issuer") the Resulting Issuer will also welcome the addition of David De Witt and Catherine McLeod-Seltzer to the Resulting Issuer's Board of Directors.

Mr. Lowell, a director and the President and CEO of Lowell Copper, is regarded as one of the world's most successful geologists whose career includes the discovery of over 15 large scale mine discoveries. Included in those discoveries is La Escondida the world's largest copper mine. Mr. Lowell has received over 30 professional awards including induction into the American Mining Hall of Fame, the National Mining Hall of Fame and the National Academy of Engineering.

Mr. De Witt, a director and the Corporate Secretary of Lowell Copper, is the founder and Chairman of Pathway Capital Ltd., a private venture capital company located in Vancouver, British Columbia. Mr. De Witt is formerly a corporate, securities and mining lawyer. Mr. De Witt has held and holds directorships in a number of public companies including Arequipa Resources, Peru Copper, Sandstorm Gold, Sandstorm Metals & Energy and CIC Resources.

Ms. McLeod-Seltzer, a shareholder of Lowell Copper, is currently the Chairman of the Board of Bear Creek Mining Corp., and is also a Director of Kinross Gold Corporation and the Chairman of Pacific Rim Mining Corp. Ms. McLeod-Seltzer was co-founder of both Arequipa Resources and Peru Copper. Ms. McLeod-Seltzer has raised more than \$600 million in working capital for mining exploration in the past 25 years and has been directly involved in more than \$4 billion in corporate transactions in the mining industry.

Mr. de Groot, Chief Executive Officer of Waterloo commented, "We are extremely pleased to have negotiated this transaction with Lowell Copper. The Warintza property is a world-class asset worthy of continued exploration and development. The addition of Messrs. Lowell and De Witt and Ms. McLeod-Seltzer to the Company represents a great step forward in the development of the Company as this team has an outstanding track record of creating shareholder value".

The Arrangement Agreement sets out the terms of the RTO and the statutory plan of arrangement (the "Arrangement") involving Lowell Copper and its shareholders, including, among other things:

- Waterloo consolidating its share capital on a two-for-one basis (the "Consolidation") with corresponding adjustments to the Company's outstanding stock options and warrants;
- the exchange of common shares of Waterloo for the common shares of Lowell Copper at a ratio of one post-Consolidation Waterloo common share for every 1.47 common shares of Lowell Copper;
- prior to or concurrently with closing of the RTO, completion of the Concurrent Financing (as defined below); and
- Waterloo increasing the number of its directors from three to six and seeking the election of J. David Lowell, David E. De Witt and Catherine McLeod-Seltzer to the Resulting Issuer's board of directors. The Company's existing directors, being Messrs. Greg Smith and Marcel de Groot and Ms. Shannon Shaw will remain directors of the Resulting Issuer.

It is also anticipated that the Resulting Issuer will change its name to "Lowell Copper Ltd." upon completion of the RTO.

The Company has currently outstanding 11,280,000 common shares, stock options exercisable to acquire up to 120,000 common shares and warrants exercisable to purchase up to 4,370,000 common shares. Assuming no exercise of currently outstanding convertible securities, it is anticipated that, on a post-Consolidation basis, the Company will have issued and outstanding 5,640,000 common shares, 60,000 stock options and 2,185,000 warrants for an aggregate of 7,885,000 common shares on a fully-diluted and post-Consolidation basis.

Assuming no currently outstanding convertible securities of Waterloo are exercised prior to the closing of the RTO, the issued capital of the Resulting Issuer is expected to be:

- approximately 48,497,143 common shares (on a post-Consolidation basis), of which approximately 11.63% will be held by Waterloo shareholders and approximately 88.37% will be held by Lowell Copper shareholders, not taking into account the Concurrent Financing (as defined below); and
- approximately 55,640,000 common shares (on a post-Consolidation basis), of which approximately 10.14% will be held by Waterloo shareholders and approximately 77.03% will be held by Lowell Copper shareholders, assuming completion of the minimum amount of the Concurrent Financing.

Completion of the RTO is expected to occur by the end of June, 2013 and is conditional upon, among other things, receipt of all required court, regulatory and shareholder approvals, including the TSX Venture Exchange ("TSX-V") as well as the shareholders of both Lowell Copper and Waterloo, and the completion of the Consolidation and Concurrent Financing.

Fairness Opinion

Deloitte LLP, through Deloitte & Touche Corporate Finance Canada Inc., has provided an oral fairness opinion to the Special Committee of the Board of Directors of Waterloo that the consideration to be received by the shareholders of Waterloo under the transaction is fair, from a financial point of view, to the shareholders of Waterloo.

Shareholder Meetings

The Company will be calling a meeting of its shareholders to seek approval of the Consolidation, the RTO and the increase in the number of directors as well as to nominate for election the three proposed directors as set out above. The Company will issue an additional press release at the time the Company provides notice to its shareholders of the meeting and the dissemination of the Company's management information circular in respect of the shareholders meeting.

Lowell Copper will also be calling a meeting of shareholders to seek approval of the Arrangement.

Concurrent Financing

The Company will undertake a financing (the "Concurrent Financing") to issue up to 7,142,857 units of Waterloo (each a "Unit") at a price of \$0.70 per Unit for gross proceeds of \$5,000,000. Each Unit will be comprised of one common share of the Company (on a post-consolidation basis) and one-half of one common share purchase warrant (each whole warrant a "Warrant"). Each Warrant will entitle the holder thereof to acquire one additional common share of the Company for a period of five (5) years at an exercise price of \$1.05.

It is anticipated that the Concurrent Financing will be completed concurrently or immediately prior to the completion of the RTO and that proceeds from the Concurrent Financing will be used by the Resulting Issuer for general working capital and to further the exploration of its mineral properties.

Lowell Copper Inc.

Lowell Copper, which is arm's length to the Company, is a private company incorporated under the laws of British Columbia, whose principal asset is the Warintza property, which hosts an exploration stage copper-molybdenum porphyry deposit located in South-East Ecuador.

Drilling and exploration work was conducted between 1998 and 2006 on the property. Lowell Copper has

been working to re-establish access to the Warintza property by working to implement community relations programs and negotiations with the local indigenous communities.

Lowell Copper also has entered into a letter agreement dated February 22, 2013 to acquire an exploration stage property in Chile. Lowell Copper is presently undertaking a due diligence review of the project and pursuant to the agreement, Lowell Copper may acquire the property by making certain payments totalling an aggregate of US\$250,000 on or before May 1, 2013 to the vendor of the property. The property is a prospective porphyry copper prospect located in the Antofagasta region of Chile.

The Warintza Property

The Warintza property is located in southeastern Ecuador, in the province of Morona Santiago, canton Limón Indanza. It consists of three Metallic Mineral Concessions ("Concessions") that cover a total of 10,000 hectares. The Concessions are subject to a 2% net smelter royalty ("NSR") held by Billiton Ecuador B.V.

There are four known porphyry copper-molybdenum target areas on the Warintza Concessions. They are Warintza Central, Warintza West, Warintza East and Warintza South. The four targets are relatively close to each other, all lying within a 12 kilometre square area centered on Warintza Central.

Three copper zones were considered in the resource estimate: leached, supergene enriched, and primary. All of the molybdenum mineralization is modeled as primary, and it spans all three of the copper zones. As mentioned, some oxidation of molybdenite has been noted in the leached zone, but there has been no material redistribution of the molybdenum.

The reported inferred resource at a 0.3% Copper Equivalent cutoff has 194,994,000 tonnes grading 0.61% Copper Equivalent. The reported resource is presented in the table below, along with estimates at other cutoff grades. The resource is in compliance with Canadian Securities Administrators' National Instrument 43-101 - Standards of Disclosure for Mineral Projects ("NI 43-101") and as well as with the Canadian Institute of Mining, Metallurgy and Petroleum's "CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines" ("CIM Standards") modified in 2010.

Warintza Property - Inferred Resources

Total Inferred Resources

Cutoff				Copper	Copper		Molybdenum	Molybdenum
CuEq%	Tonnes	Cu Eq%	Cu%	(tonnes)	(lbs)	Mo%	(tonnes)	(lbs)
0.30	194,994,000	0.61	0.42	820,000	1,807,791,000	0.031	60,000	132,277,000
0.40	164,102,000	0.65	0.46	760,000	1,675,513,000	0.031	51,000	112,436,000
0.50	119,852,000	0.73	0.53	640,000	1,410,958,000	0.032	39,000	85,980,000
0.60	87,580,000	0.79	0.59	516,000	1,137,585,000	0.034	30,000	65,784,000
0.70	56,867,000	0.87	0.66	373,000	822,324,000	0.036	21,000	46,297,000

NOTES:

1. The Warintza Central resource estimate was kriged. Estimates were also done by nearest neighbour and inverse distance squared.

2. The reported resource estimate uses a 0.30% copper equivalent cutoff. Copper equivalent assumes an in-situ value ratio of 6 copper to 1 molybdenum.

3. Mineral resources that are not mineral reserves do not have demonstrated economic viability. Steven Ristorcelli, C.P.G., is the qualified person under NI 43-101 who has prepared the resource estimate contained in this news release. Mr. Ristorcelli is independent of Waterloo Resources Ltd. and Lowell Copper Inc. as defined under NI 43-101.

A NI 43-101 compliant technical report supporting the updated resource is expected to be filed and available on SEDAR within 45 days.

Unless otherwise specified, Mr. David Lowell, P.Eng is the Qualified Person under NI 43-101 responsible for the contents of this news release.

Completion of the transaction is subject to a number of conditions, including TSX-V acceptance and court

and shareholder approval. The transaction cannot close until all requisite approvals are obtained. There can be no assurance that the transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the management information circular to be prepared in connection with the transaction, any information released or received with respect to the RTO may not be accurate or complete and should not be relied upon. Trading in the securities of Waterloo should be considered highly speculative.

The TSX Venture Exchange has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this press release.

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the Company's securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "1933 Act"), or any state securities laws and may not be offered or sold within the United States or to U.S. persons unless registered under the 1933 Act and applicable state securities laws, or an exemption from such registration is available. Any public offering of securities in the United States must be made by means of a prospectus that contains detailed information about the Company and its management, as well as financial statements

Forward-Looking Statements

This release contains certain "forward looking statements" and certain "forward-looking information" as defined under applicable Canadian and U.S. securities laws. Forward-looking statements and information 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 and information include, but are not limited to, statements with respect to the transactions contemplated under the Arrangement Agreement and RTO, the Concurrent Financing, the requisite regulatory, court and shareholder approvals in respect thereof and proposed exploration activities and their timing and potential mineralization. Forward-looking statements and information are based on forecasts of future results, estimates of amounts not yet determinable and assumptions that, while believed by management to be reasonable, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Forward-looking statements and information are subject to various known and unknown risks and uncertainties, many of which are beyond the ability of Waterloo to control or predict, that may cause Waterloo's actual results, performance or achievements may be materially different from those expressed or implied thereby, and are developed based on assumptions about such risks, uncertainties and other factors set out here in, including but not limited to: the risk that the RTO will not be approved by the TSX Venture Exchange, the court and the shareholders of Waterloo and/or Lowell Copper, as applicable; risks and uncertainties related to the Arrangement not being completed in the event that the conditions precedent thereto are not satisfied, including completion of the Concurrent Financing; the inherent risks involved in the exploration and development of mineral properties; the uncertainties involved in interpreting exploration data; the potential for delays in exploration or development activities; the geology, grade and continuity of mineral deposits; the possibility that future exploration, development or mining results will not be consistent with the Company's expectations; accidents, equipment breakdowns, title matters, labor disputes or other unanticipated difficulties or interruptions in operations; fluctuating metal prices; unanticipated costs and expenses; uncertainties relating to the availability and costs of financing needed in the future; the inherent uncertainty of production and cost estimates and the potential for unexpected costs and expenses, commodity price fluctuations; currency fluctuations; regulatory restrictions, including environmental regulatory restrictions; liability, competition, loss of key employees and other related risks and uncertainties. The Company undertakes 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.

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