Northquest Ltd. Announces Private Placement Financing With Nord Gold N.V. to Raise \$2,500,000

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TORONTO, June 9, 2014 /CNW/ - Northquest Ltd. (TSX-V:NQ) ("Northquest") is pleased to announce that it has entered into agreements with Nord Gold N.V. (LSE: NORD) ("Nordgold") to complete a non-brokered private placement (the "Offering") pursuant to which Northquest will issue an aggregate of 12,777,777 units of Northquest for aggregate proceeds of \$2,500,000 in two tranches.

Pursuant to the first tranche of the Offering (the "First Tranche"), Northquest has agreed to issue an aggregate of 2,777,777 units of Northquest (the "First Tranche Units) at a price of \$0.18 per First Tranche Unit. Each First Tranche Unit will consist of: (i) one common share of the Northquest ("Common Share"); and (ii) one-half of one common share purchase warrant (each whole such warrant, a "First Tranche Warrant"). Each First Tranche Warrant shall entitle the holder to acquire one additional Common Share at an exercise price of \$0.24 for a period of 24 months from the date of issuance thereof, provided that if, at any time after the date which is four months and one day following the issuance thereof, the volume weighted average price of the Common Shares on the principal stock exchange upon which the Common Shares are listed (the "Exchange") is equal to or exceeds \$0.50 for 20 consecutive trading days, then Northquest may accelerate the expiry date of the First Tranche Warrants, in which event the First Tranche Warrants will expire upon the date (the "Accelerated Expiry Date") which is 30 days following the dissemination of a press release by the Northquest announcing the Accelerated Expiry Date. Other subscribers (some or all of whom may be insiders of Northquest) may purchase up to 1,000,000 First Tranche Units in the First Tranche for additional gross proceeds of up to \$200,000 (the "Additional Units").

Pursuant to the second tranche of the Offering (the "Second Tranche"), Northquest has agreed to issue 10,000,000 units of Northquest (the "Second Tranche Units") to Nordgold or its nominee at a price of \$0.20 per Second Tranche Unit. Each Second Tranche Unit will consist of: (i) one Common Share; and (ii) one-half of one common share purchase warrant (each whole such warrant, a "Second Tranche Warrant"). Each Second Tranche Warrant shall entitle the holder to acquire one additional Common Share at an exercise price of \$0.27 for a period of 24 months from the date of issuance thereof, provided that if, at any time after the date which is four months and one day following the issuance thereof, the volume weighted average price of the Common Shares on the Exchange is equal to or exceeds \$0.50 for 20 consecutive trading days, then Northquest may accelerate the expiry date of the Second Tranche Warrants, in which event the Second Tranche Warrants will expire upon the date (the "Second Accelerated Expiry Date") which is 30 days following the dissemination of a press release by the Northquest announcing the Second Accelerated Expiry Date.

Concurrently with the closing of the Second Tranche, Nordgold will have the right to appoint one representative to Northquest's board of directors and the right to participate pro rata in all equity issuances by Northquest, subject to certain conditions.

The First Tranche is subject to certain conditions, including the approval of the TSX Venture Exchange (the "TSXV"). The Second Tranche is also subject to certain conditions, including the approval of the TSXV, a satisfactory site visit completed by Nordgold, the completion of legal and technical due diligence, the approval of Northquest's shareholders and the issuance of 2,777,777 First Tranche Units to Nordgold pursuant to the First Tranche.

Northquest intends to use the gross proceeds of Offering for further exploration of its Pistol Bay Project and for general and administrative expenses.

Closing of the First Tranche is expected to occur in one or more closings, the first of which is expected to occur on or about June 12, 2014, and closing of the Second Tranche is expected to occur on or about July 14, 2014 or such later date as may be agreed between the parties.

Assuming that the Additional Units are issued and no other changes to Northquest's issued and outstanding Common Shares, following the closing of the Second Tranche, Nordgold will hold 12,777,777 Common

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Shares (representing 22.3 % of the issued and outstanding Common Shares on a non-diluted basis based on the number of Common Shares issued and outstanding as of the date hereof) and First Tranche Warrants and Second Tranche Warrants to acquire up to an additional 6,388,889 Common Shares.

Nordgold is an international pure-play emerging-markets gold producer established in 2007 and publicly traded on the London Stock Exchange. Nordgold has expanded rapidly through acquisitions and organic investment, achieving a rate of growth unmatched in the industry during that period. In 2013, Nordgold's gold production increased to 924,000 ounces from 717,000 ounces in 2012. Nordgold operates nine mines in Russia, Kazakhstan, Burkina Faso and Guinea. Nordgold has two development projects, four advanced exploration projects and a diverse portfolio of early exploration projects and licenses in CIS, West Africa and French Guiana. Nordgold employs over 10,000 workers.

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Forward Looking Statements - Certain information set forth in this news release may contain forward-looking statements that involve substantial known and unknown risks and uncertainties. These forward-looking statements are subject to numerous risks and uncertainties, certain of which are beyond the control of Northquest, including, but not limited to the impact of general economic conditions, industry conditions, volatility of commodity prices, currency fluctuations, dependence upon regulatory approvals, and the availability of financing and closing of the Offering. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements.

Contact

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