

NORTHQUEST LTD. RECEIVES THE FINAL ORDER APPROVING THE PLAN OF ARRANGEMENT INVOLVING NORD GOLD SE

***FOR IMMEDIATE RELEASE

October 7, 2016

TORONTO, CANADA – Northquest Ltd. (TSX.V-NQ) (FWB-N3Q) (the “**Company**”) is pleased to announce that the Ontario Superior Court of Justice has granted its final order approving the previously announced statutory plan of arrangement (the “**Arrangement**”) under the *Business Corporations Act* (Ontario), whereby Nord Gold SE (“**Nordgold**”) will acquire all of the outstanding common shares of the Company (the “**Shares**”) that it did not already own. At a special meeting held on September 28, 2016, the Arrangement was approved by the shareholders of the Company. It is expected that the Arrangement will be completed in the coming days.

In April 2016, Nordgold commenced its offer to acquire all of the outstanding common shares of Northquest that it does not own, which expired on 29 June 2016. Nordgold currently owns 108,789,852 Northquest common shares, representing approximately 97.57% of the issued and outstanding Northquest shares.

Under the terms of the Arrangement, each holder of the Shares will receive \$0.26 in cash per Share, and all of the outstanding warrants to purchase Shares (the “**Warrants**”) will be transferred to the Company for \$0.10 in cash per Warrant.

To receive consideration under the Arrangement, each holder of the Shares must properly complete the letter of transmittal (the “**Letter of Transmittal**”) which accompanied the management information circular dated August 30, 2016 (the “**Circular**”) and deposit it with Computershare Investors Services Inc. in accordance with the terms and provisions set out in the Circular. Complete instructions for such deposit are set out in the Circular and the Letter of Transmittal. The Circular and a copy of the Letter of Transmittal are available under the Company’s SEDAR profile at www.sedar.com.

Holders of the Warrants are not required to complete and return the Letter of Transmittal to receive the consideration payable under the Arrangement for their Warrants, which consideration will be paid automatically.

In connection with the Arrangement, the Company will apply to delist the Shares from the TSX Venture Exchange and the Frankfurt Stock Exchange as soon as possible, and to cease to be a reporting issuer in the relevant Canadian jurisdictions following the completion of the Arrangement.

For further information please contact:

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About Northquest Ltd:

Northquest is a Toronto based gold explorer which owns the Pistol Bay project in eastern Nunavut territory, Canada. The Pistol Bay property consists of 860 square kilometers of mineral rights within the underexplored Rankin-Ennadai greenstone belt. Within Arctic Canada, the project is favourably located with relatively easy access and existing infrastructure. For further information, please visit www.northquest.biz.

Cautionary Note Regarding Forward-Looking Information

Certain information set forth in this news release may contain forward-looking statements that involve substantial known and unknown risks and uncertainties. In some cases forward-looking information can be identified by terminology such as “may”, “will”, “should”, “expect”, “intend”, “plan”, “anticipate”, “believe”, “estimate”, “projects”, “potential”, “scheduled”, “forecast”, “budget” or the negative of those terms or other comparable terminology. These forward-looking statements, including statements regarding the anticipated timing for the completion of the Arrangement and the anticipated timing for the delisting of the Shares, are subject to numerous risks and uncertainties. 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. The Company expressly disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, events or otherwise, except in accordance with applicable securities laws.

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