



PACIFIC NORTH WEST CAPITAL ACQUIRES 100% OF STRATEGIC LITHIUM BRINE PROJECT CLAYTON VALLEY, NEVADA

- Option to acquire 100% of a Clayton Valley Fork Li Project
- Clayton Valley hosts North America's largest Lithium Carbonate production evaporation operations derived from Lithium Brines
- Potential for fault derived structural traps that may contain lithium rich brine
- Objective to develop an economic Lithium Brine Project
- Exploration planning in progress
- The company has a well-diversified project portfolio of [Platinum Group Metals](#) and Lithium Projects
- The company's 100% owned River Valley PGM resources is one of the largest undeveloped primary PGM resources in Canada (<http://pfncapital.com/s/Home.asp>)

May 9th, 2016, Vancouver, Canada – [Pacific North West Capital Corp.](#) (“PFN”, the “Company”) (TSX.V: PFN; Frankfurt: P7J.F; OTCQX: PAWEF further to the previous company's news release ([PFN April 25th, 2016 News Release](#)), the **Clayton Valley Forks Li Project** (“CVF”) is comprised of 73 claims for a total of approximately 583 hectares (1440 acres) and is located on the west side of Lithium X's South Expansion Project in Clayton Valley.

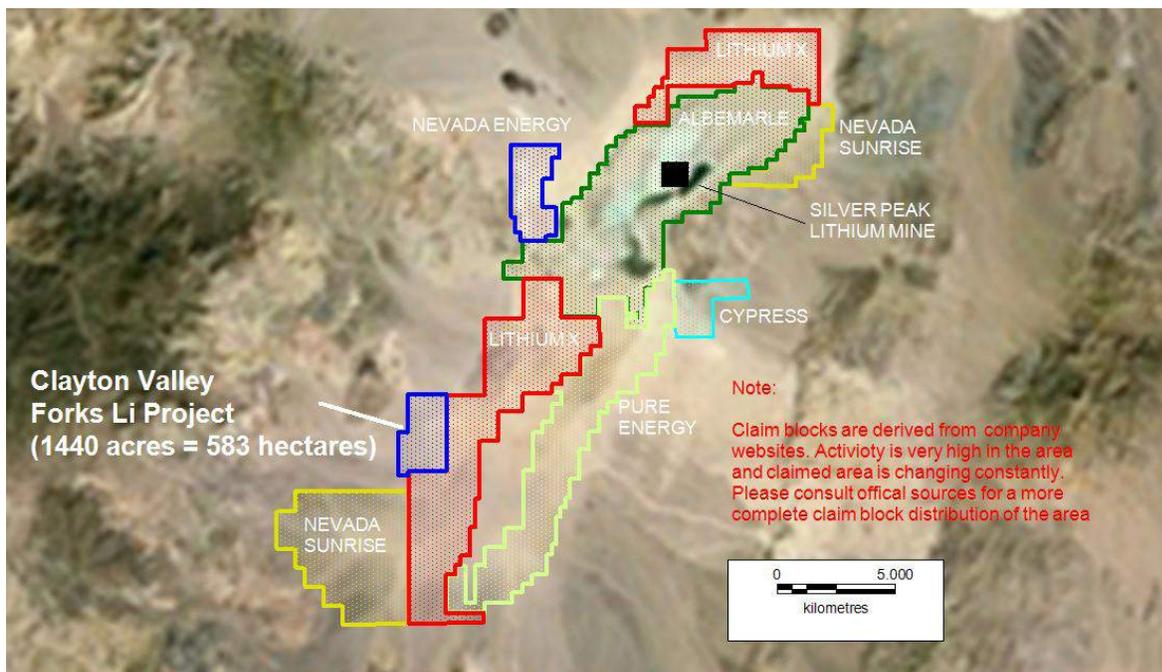


Figure 1: Company claim blocks in the Clayton Valley area of Nevada

(Figure is a company made composite and not intended for redistribution. The company accepts no responsibility for the accuracy of other claim blocks other than the claim block associated with the Clayton Valley Forks Li Project)

Mr Barr Chairmen and CEO of PFN stated **“That with the completion of this acquisition, our company has acquired its first strategic USA lithium brine asset. The Clayton Valley Fork Li Project is situated in North America’s only Lithium Brine producing area where approximately 4% of the world’s supply of Lithium Brine is produced. Due to growing demand, decreasing supply and increasing price of Lithium, Clayton Valley has become host to one of the largest project acquisitions and staking rushes in recent Nevada history. We look forward to developing and implementing an aggressive exploration and development program on this strategic project.”**

The **Project is strategically located south of the Silver Peak Lithium Mine** operated by Albemarle Corp. Pure Energy Minerals Limited’s Clayton Valley South project is situated on the east side of Clayton Valley and the Clayton Valley Forks Li Project is situated on the opposite side of the valley, the west side.

The company plans to test for lithium-bearing aquifers thru the Project Area. The company’s technical team believes that geological structures of the sediment-filled Clayton Valley basin underlying the claims contains sediments, based on previous work in the area, have the potential to lead to new Li discoveries. The geological environment appears similar throughout the basin and with respect to the other leading exploration company’s projects in the basin.

The project is situated over an area that is believed to contain favorable geology, faults, ground water and possible lithium bearing source rocks. The west side of the north-south trending Clayton Valley Basin lies within a geological belt of right lateral deformation, near the western edge of the Basin and Range geological province. The project area also straddles the Walker Lane wrench fault zone, which is still active today. Aerial photos reveal strong faults on the mountains west of the project that roughly trend northerly-southerly. **This faulting system may have formed structural traps which could contain accumulated lithium rich brines.** Upcoming exploration programs will focus on geophysics and drilling.

Further announcements will be forthcoming with regard to the projects exploration and development plan, as well as other acquisitions in Canada and the United States.

Clayton Valley Forks Li Project Terms of Option Agreement

The Optionors (Thomas Evans (60%) and Robert Weicker (40%)) have agreed to grant an option to the Company to acquire a 100% undivided interest in the Clayton Valley Forks Li Project. In order to acquire a 100% interest in the Clayton Valley Forks Li Project (subject to the Production Royalty), the Company will issue up to 400,000 shares in 10 days another 400,000 shares by the first anniversary date. As well the company has agreed to cover recording fees up to a maximum of \$25,00 (US), \$15,000 (US) after regulatory approval and \$15,000 (US) after 90 days of the approval. If the company begins commercial production on the project, a production royalty (calculated at 2% of the Net Smelter Returns) will be granted to the optionors. The company has the right to buy back the entire royalty at any time for \$1,000,000 (US). The Agreement is subject to approval from the TSX Venture Exchange (the “Exchange”).

All shares issued in connection with the acquisition are subject to a four month and one day hold period from the date of issuance.

Nevada the Lithium Hub

Clayton Valley is located in Esmeralda county of Nevada, host to the Albemarle Corporation’s Silver Peak Lithium Mine and brine processing operations. The mine has been in operation since 1967 and remains the only brine based Lithium Producer in North America. The new project acquisition in Nevada will allow the company a project in an area that is well known for its Lithium Carbonate production. Clayton Valley is a centralized location in Nevada with highway access, power infrastructure,

water and local labor. The company's new lithium brine project will be approximately 3.5 hours away from [Tesla's Gigafactory](#), which has a **planned annual lithium-ion battery production capacity of 35 gigawatt-hours per year by 2020**. The Clayton Valley Forks Li Project is located approximately 3 hours north of the Faraday Electric Car Factory to be operated in Las Vegas, Nevada.

Clayton Valley was one of the few locations globally known to contain commercial-grade lithium-enriched brines.

Nevada Building a Future for Green Energy Manufacturing

The Nevada government is **actively embracing the Lithium Energy** market and future ventures. **In March 2016 the Nevada Board gave final approval to the Faraday Futures \$1 Billion dollar electric car factory in North Las Vegas**. Once this plant is operating it is estimated that it will create over 4500 jobs for the area. **Tesla received over \$1.25 Billion in tax incentives from the Nevada government to start up their \$5 Billion Giga-factory in Reno, Nevada**. The Nevada government is backing the new growth in the lithium-ion battery and electric car market. Future projected market growth will also increase the need for lithium-ion batteries. **At present, the Clayton Valley area produces 4% of the world's Lithium Carbonate production**.

About The Company's Lithium Division

The company's new Lithium Division will focus on the acquisition, exploration and development of Lithium Projects in Canada. In the United States the company will use its wholly owned U.S.A subsidiary to acquire and develop projects in active mining camps in Nevada, Arizona and California.

Management believes that these new age metals, Lithium, PGM's and Rare Earths, have robust macro trends with surging demands and limited supply. Going forward, this new division will explore for the minerals needed to fuel the demand for energy storage and other core 21st Century Technologies.

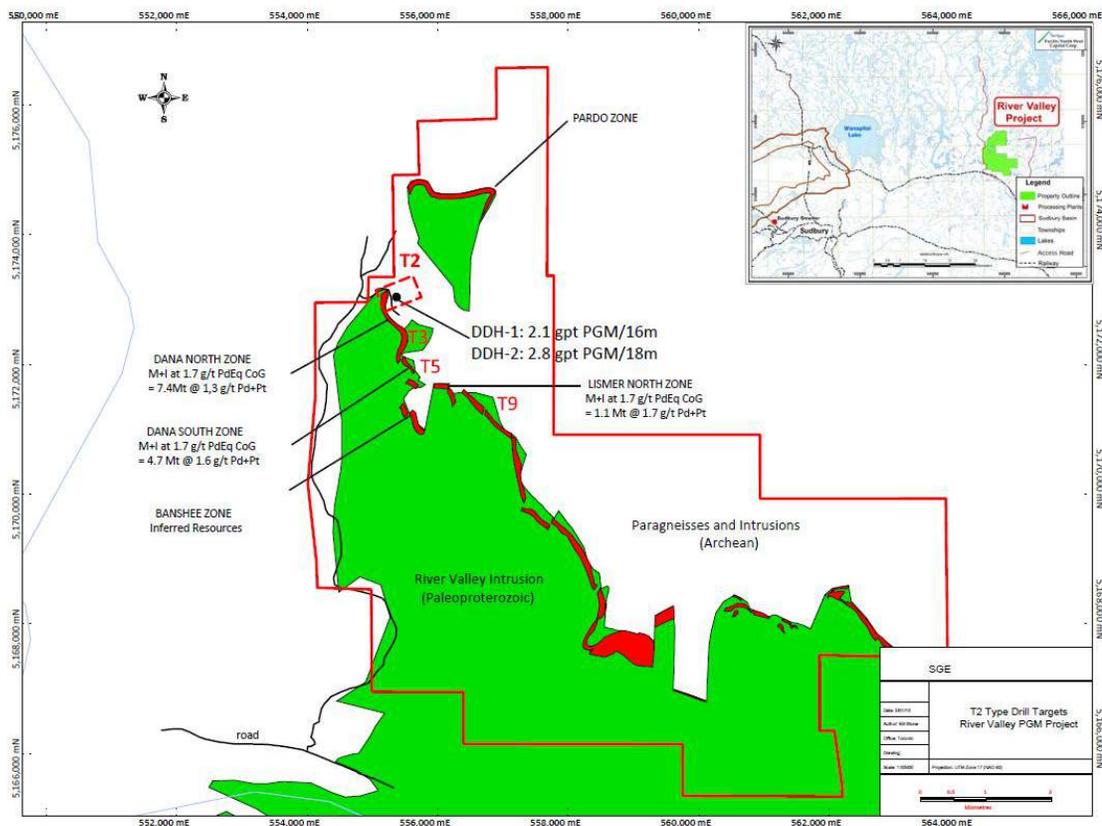
In addition to the lithium brine potential of the CV West Li Project in Nevada, the company has and is developing hard rock lithium projects in Canada ([PFN April 24th, 2016 news release](#)). **The Lithium One Project in southeast Manitoba is located 8.5 kilometers south of the Tanco Mine Site, North America's richest and longest operating hard rock mine for tantalum, lithium and cesium**.

Lithium and Platinum group metal prices have improved dramatically in recent months. **Lithium supplies remain in deficit relative to their demand**. Both metals groups are used for the expanding worldwide automobile industry (conventional and electric). In the case of PGM's, demand is increasing for autocatalysts, a key component for reducing toxic emissions for automotive, gasoline and diesel engines. **In regards to Lithium, there is an ever increasing demand for batteries in cellphones, laptops, electric cars, solar storage, wireless charging and renewable energy products**.

About the company's Platinum Group Metals Division

Achievements to date and future plans for River Valley are outlined below as follows:

- 1. PFN currently has 100% ownership in the River Valley Project**, subject to a 3% NSR, with options to buy down
2. Completed exploration and development programs on the River Valley property include more than 600 holes drilled since year 2000 and several mineral resource estimates and metallurgical studies;
3. Results for the current (2012) mineral resource estimate are below;
- 4. 2015 drill program confirms new high grade T2 discovery**



5. Exploration and development plans outlined for 2016
6. **Ongoing strategic partner search for River Valley project**
7. Results for the most recent Metallurgical Testwork Study are summarized below:

- Prepared by Tetra Tech (Wardrop)
- High Confidence: Measured plus Indicated = 72% of total
- Reported on PdEq basis: Pd=40% & Pt=20% of the payable metals
- Pd to Pt ratio = 2.5:1; Cu to Ni ratio = 3:1
- High Grade potential, particularly in the north part of River Valley deposit
- **Resources under evaluation for development potential as open pit mining operation**

NI43-101 Compliant Mineral Resource Estimation at Cut-Off Grade of 0.8 gpt PdEq – Effective May 1, 2012										
Class	TONNES	Pd (g/t)	Pt (g/t)	Rh (g/t)	Au (g/t)	Ag (g/t)	Cu (%)	Ni (%)	Co (%)	PdEq (g/t)
Total Measured	25,584,850	0.63	0.23	0.022	0.04	0.55	0.06	0.02	0.003	1.46
Total Indicated	65,754,700	0.56	0.21	0.020	0.04	0.26	0.06	0.02	0.002	1.35
Total Measured+Indicated	91,339,550	0.58	0.22	0.021	0.04	0.34	0.06	0.02	0.002	1.38
Total Inferred	35,911,000	0.36	0.14	0.014	0.03	0.11	0.06	0.03	0.002	1.07

Contained Metal Contents				
	PGM+Au (oz)	PdEq (oz)	PtEq (oz)	AuEq (oz)
Total Measured	742,130	1,168,450	555,400	823,710
Total Indicated	1,720,900	2,774,470	1,318,800	1,955,900
Total Meas+Ind	2,463,060	3,942,910	1,847,200	2,779,610
Inferred	614,500	1,201,000	571,000	847,000

Notes:

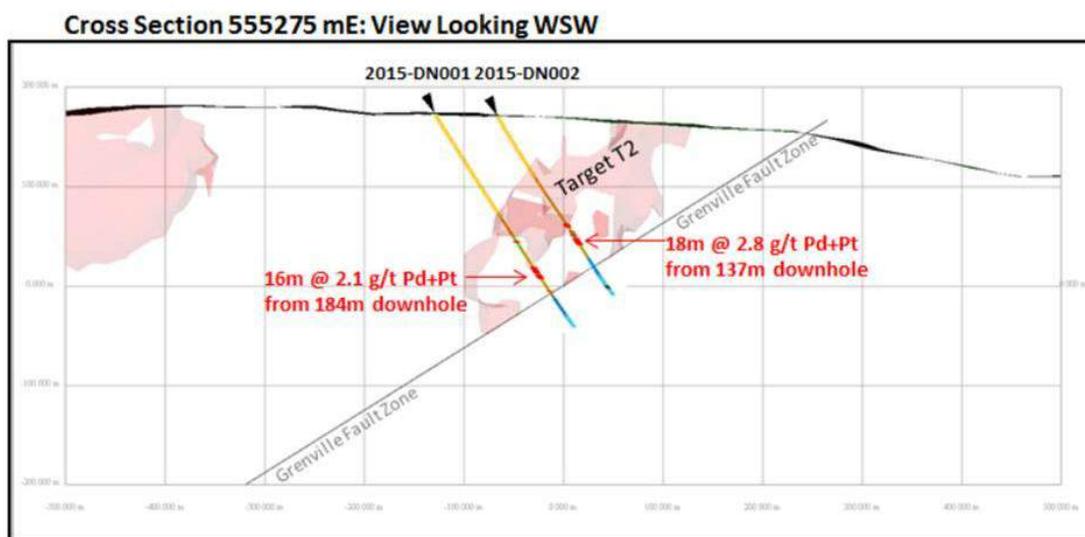
- Mineral resources are not mineral reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the mineral resource will be converted into mineral reserves
- Long-term forecast prices (US\$): \$896/oz Pd, \$1885/oz Pt, \$1271/oz Au, \$3.0/lb Cu, \$9.7/lb Ni, \$15.9/lb Co
- Resource estimation based on 462 holes for 100,000 metres drilled at sectional spacing of 25 metres to 100 metres on eight separate mineralized zones
- See www.pfncapital.com for more details and notes on the mineral resource estimation

Phase 1 Metallurgy (SGS Canada Inc. 2013)

- **Material:** fresh drill core
- **Primary & Regrind Sizes for Locked Cycle Test:**
 $P_{80}=71\ \mu\text{m}$ and $P_{80}=19\ \mu\text{m}$, respectively
- **Bulk Concentrate Grades:** **16% Cu, 2% Ni, 189 g/t PGM**
- **Metal Recoveries:** **84% Cu, 22% Ni, 69% PGM**
- **Smelter Payable Metals:**
Pd, Pt, Au, Cu, Ni probable; Rh likely; Co, Ag possible
- **Deleterious Metals:** **NONE!** (*No talc*)
- **Conclusion:** A sulphide concentrator could effectively process River Valley deposit material

Next Steps

- Investigate effects of **grade variability** on metal recovery and concentrate grade
 - Targeting bulk concentrate with grades of **18%-20% Cu** and **200-250 g/t Pd+Pt+Au (plus Rh)**
 - Budget = ~\$250,000
 - PFN anticipates targeting high grade near-surface material in the early part of any potential mining operation
8. Results for the 2015 discovery drill program on the T2 target are as follows:
- Drill hole intercepts much higher than the average grade of current mineral resource estimate
 - Possible new mineralized zone at the north end of the River Valley deposit
 - Show potential to take the River Valley PGM Project in a new direction
 - More drilling required



9. Exploration and Development Plans for 2016

- Mineral prospecting and geological mapping on surface
- Drill programs targeted to add more higher grade
- Geological interpretation and 2D/3D modelling of all drill and surface results
- Application to the OPA's Junior Exploration Assistance Program (JEAP) for 33% refund of all exploration expenditures up to \$300,000.
- Strategic Partner Search for River Valley

QUALIFIED PERSON

The contents contained herein that relates to Exploration Results or Mineral Resources is based on information compiled, reviewed or prepared by Dr. Bill Stone, Principal Consulting Geoscientist for Pacific Northwest Capital. Dr. Stone is the Qualified Person as defined by National Instrument 43-101 and has reviewed and approved the technical content.

On behalf of the Board of Directors

“ Harry Barr “

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