

ALTIMA RESOURCES LTD.

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News Release

ALTIMA ANNOUNCES AGREEMENT TO ACQUIRE OIL & GAS ASSETS AND THE ISSUANCE OF UP TO \$6 MILLION IN CONVERTIBLE DEBT FINANCING

(October 4, 2019) **Altima Resources Ltd.** (the “Company” or “Altima”) (TSX-V: **ARH**) is pleased to announce that it has entered into an agreement to acquire from an arm’s length third party (the “Vendor”) oil, gas and processing assets (the “Assets”) in the province of Alberta.

The Assets are comprised of a number of non-operated working interests and non-operated facility interests with third party processing revenues. The working interest and processing facility interests are in or servicing very long-life wells and units, most of which have been producing for many decades and have historically produced very large volumes of oil and gas. The Assets have bookable reserves for well over a decade of continued production.

The Vendor reports actual production volumes (unaudited) for the month of July 2019 as follows:

Oil sales 783 BBLs
Gas sales 16,327 MCF
NGL sales 1,223 BBLs

Gross Ha. 9,689
Net Ha. 2,178

In consideration for the Acquisition, the Company has agreed to pay the Vendor the sum of \$785,000 in cash on Closing. Closing is scheduled for October 2019.

Altima further announces that it has launched a private placement to raise up to \$6,000,000 through the issuance of convertible debentures (the "Debentures"), subject to acceptance by the TSX Venture Exchange (the "Exchange").

The Company also confirms that existing debt of approximately \$2,500,000 in the Company will be converted into Debentures as part of the private placement, and therefore the private placement of Debentures is expected to result in up to \$3,500,000 of additional proceeds to the Company.

The Debentures will be convertible at the option of the holder into Units (“Unit”), each Unit to be comprised of one common share and one-half share purchase warrant, at a price of \$0.05 per Unit in the first year, and thereafter at \$0.10 per Unit until the maturity date (3 years from the issuance date). Each full warrant entitles the holder to purchase one share for a period of two years from the closing date at a price of \$0.15 per share.

The Debentures will be transferable (subject to applicable securities laws), and will bear interest at 6% per annum, maturing September 30, 2022. Up to the maturity date, only interest on the Debentures will be repaid, with the first semi-annual interest payment being due on March 31, 2020. The Debentures may be pre-paid at any time by the Company after March 31, 2020. Any outstanding principal amount and accrued interest will be due and payable on the Maturity Date.

In the event that at any time after four months and a day from the date of issue of the Debentures the daily volume weighted average trading price of the shares of the Issuer on the TSX Venture Exchange is in excess of \$0.15 over 30 non-consecutive trading days, the Issuer will be entitled to deliver not less than 30 days prior written notice to the holders of Debentures requiring each holder to elect as follows:

- (a) to redeem all but not less than all of the outstanding principal amount of the holder's Debentures and any accrued but unpaid interest; or
- (b) to convert all but not less than all of the outstanding principal amount of the holder's Debentures and any accrued but unpaid interest to Units at the conversion price per Unit equal to: (i.) \$0.10 with respect to the outstanding Principal Amount of Debentures; and (ii.) the greater of \$0.10 and the last closing price of the common shares of the Issuer on the Exchange on the day prior to conversion with respect to any accrued but unpaid interest.

If the applicable holder of Debentures does not make such Election within 10 days of delivery of the Notice by the Issuer to the holder, the Issuer will be entitled to make the Election.

In the event that, prior to the maturity date, the Company receives from an arm's length party a take-over bid or similar offer to acquire 20% or more of the Company's outstanding common shares or the Company proposes to carry out a reorganization transaction under which shareholders of the Company will upon completion thereof hold less than 51% of the common shares of the resulting issuer (a "Transaction"), the Company will be entitled to give notice to the holders of the Debentures requiring, at the election of the Debenture holder, the Debentures either to be converted into Units or the principal amount owing (and any accrued but unpaid interest thereon) be paid out at the closing of the Transaction.

Proceeds will be used to fund acquisitions, capital expenditures and general corporate purposes.

The Company has agreed to pay finders' fees of up to 6% cash and 6% in warrants to qualified persons in accordance with Exchange policies and subject to the requirements of applicable securities laws.

The Financing is subject to acceptance for filing by the TSX Venture Exchange and any other regulatory approvals as may be required.

ON BEHALF OF THE BOARD

SIGNED: "*Joe DeVries*"

Joe DeVries, President, CEO & Director

Contact: (604) 336-8610

For further information on Altima, please visit our website at www.altimaresources.com
The Company's public documents may be accessed at www.sedar.com

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

This news release includes certain forward-looking statements or information. All statements other than statements of historical fact included in this release are forward-looking statements that involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from the Company's plans or expectations include risks relating to: availability of capital and financing required to continue the Company's exploration and development plans; general economic, market or business conditions; the actual results of current and planned exploration activities; fluctuating commodity prices; risks associated with property option agreements, leases, joint ventures and the ability to conclude joint venture agreements on favorable terms; possibility of accidents, equipment breakdowns and delays during exploration; exploration cost overruns or unanticipated costs and expenses; regulatory changes and restrictions including in relation to environmental liability; timeliness of government or regulatory approvals and other risks detailed herein and from time to time in the filings made by the Company with securities regulators. The Company expressly disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise except as otherwise required by applicable securities legislation.