



Australian Mines Limited
ABN 68 073 914 191

Level 34, 1 Eagle Street
Brisbane, Queensland 4000
+61 7 3184 9184
info@australianmines.com.au

australianmines.com.au

19 February 2021

Dear Shareholders

Australian Mines Limited General Meeting

The Notice of General Meeting of Australian Mines Limited (**Australian Mines** or **the Company**) is now available at australianmines.com.au.

Safety of our shareholders and staff is our paramount concern, and therefore, in line with State Government regulations and ASIC recommendations during the COVID 19 pandemic, we will hold the meeting by way of live video conference. There will be no physical meeting.

The consequences of this are as follows:

1. If you wish to attend the virtual Meeting, you must register at admin@advancedshare.com.au at least 24 hours prior to the meeting. You will then be sent a link to the meeting webcast;
2. Questions concerning the business of the meeting should be submitted to investor@australianmines.com.au in advance of the meeting. There will be a facility to put questions in writing during the meeting using a Q&A facility;
3. All resolutions will be determined by way of a poll. The poll will be conducted based on votes submitted by proxy and by Shareholders who have indicated that they intend to vote at the Meeting. The Company's share registry will be facilitating voting during the Meeting. Shareholders are strongly encouraged to lodge a proxy form to vote at the Meeting at least 48 hours before the meeting.

Yours sincerely

Oliver Carton
Company Secretary

LODGE YOUR PROXY APPOINTMENT ONLINE



ONLINE PROXY APPOINTMENT

www.advancedshare.com.au/investor-login



MOBILE DEVICE PROXY APPOINTMENT

Lodge your proxy by scanning the QR code below, and enter your registered postcode.
It is a fast, convenient and a secure way to lodge your vote.

IMPORTANT NOTE:

Due to the continued restrictions in relation to COVID-19, the Company has adopted measures to allow shareholders to participate in the General Meeting ("GM" or "Meeting") online this year. The GM will be made accessible to shareholders via a live webcast with an online platform to facilitate shareholder questions in relation to the business.

2021 GENERAL MEETING PROXY FORM

I/We being shareholder(s) of Australian Mines Limited and entitled to attend and vote hereby:

APPOINT A PROXY

The Chair of the meeting

OR



PLEASE NOTE: If you leave the section blank, the Chair of the Meeting will be your proxy.

or failing the individual(s) or body corporate(s) named, or if no individual(s) or body corporate(s) named, the Chair of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf, including to vote in accordance with the following directions (or, if no directions have been given, and to the extent permitted by law, as the proxy sees fit), at the General Meeting of the Company to be held **virtually on 23 March 2021 at 12.00pm AEDT** and at any adjournment or postponement of that Meeting.

CHAIR'S VOTING INTENTION IN RELATION TO UNDIRECTED PROXIES:

The Chair intends to vote undirected proxies in favour of all Resolutions. In exceptional circumstances the Chair may change his/her voting intention on any Resolution. In the event this occurs an ASX announcement will be made immediately disclosing the reasons for the change.

VOTING DIRECTIONS

Ordinary Resolutions

		For	Against	Abstain*
1	APPROVAL FOR A REDUCTION OF CAPITAL AND IN-SPECIE DISTRIBUTION OF NORWEST SHARES	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



* If you mark the Abstain box for a particular Resolution, you are directing your proxy not to vote on your behalf on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, all the shareholder should sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the Corporations Act 2001 (Cth).

Email Address

Please tick here to agree to receive communications sent by the company via email. This may include meeting notifications, dividend remittance, and selected announcements.

COVID-19: AUSTRALIAN MINES LIMITED GENERAL MEETING

A live webcast and electronic voting via www.advancedshare.com.au/virtual-meeting will be offered to allow Shareholders to listen to the Meeting and vote online.

Shareholders who wish to attend the Meeting virtually must first register their attendance with the Company by 5.00pm (AEDT) on 22 March 2021, the day prior to the day of the Meeting, by email to admin@advancedshare.com.au, including the Shareholder's name, address and HIN or SRN. The Company will then email the Shareholder the details to participate in the virtual Meeting via www.advancedshare.com.au/Virtual-Meeting.

Shareholders may submit questions in advance of the Meeting by email to the Company Secretary at investor@australianmines.com.au. Responses will be provided at the Meeting in respect of all valid questions received prior to 5.00pm (AEDT) on 22 March 2021. There will be an opportunity to submit questions in writing during the Meeting.

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

CHANGE OF ADDRESS

This form shows your address as it appears on Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes.

APPOINTMENT OF A PROXY

If you wish to appoint the Chair as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chair, please write that person's name in the box in Step 1. A proxy need not be a shareholder of the Company. A proxy may be an individual or a body corporate.

DEFAULT TO THE CHAIR OF THE MEETING

If you leave Step 1 blank, or if your appointed proxy does not attend the Meeting, then the proxy appointment will automatically default to the Chair of the Meeting.

VOTING DIRECTIONS – PROXY APPOINTMENT

You may direct your proxy on how to vote by placing a mark in one of the boxes opposite each resolution of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any resolution by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given resolution, your proxy may vote as they choose to the extent they are permitted by law. If you mark more than one box on a resolution, your vote on that resolution will be invalid.

PLEASE NOTE: If you appoint the Chair as your proxy (or if they are appointed by default) but do not direct them how to vote on a resolution (that is, you do not complete any of the boxes "For", "Against" or "Abstain" opposite that resolution), the Chair may vote as they see fit on that resolution.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning Advanced Share Registry Limited or you may copy this form and return them both together.

To appoint a second proxy you must:

- On each Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- Return both forms together.

COMPLIANCE WITH LISTING RULE 14.11

In accordance with Listing Rule 14.11, if you hold shares on behalf of another person(s) or entity/entities or you are a trustee, nominee, custodian or other fiduciary holder of the shares, you are required to ensure that the person(s) or entity/entities for which you hold the shares are not excluded from voting on a resolution where there is a voting exclusion. Listing Rule 14.11 requires you to receive written confirmation from the person or entity providing the voting instruction to you and you must vote in accordance with the instruction provided.

By lodging your proxy votes, you confirm to the company that you are in compliance with Listing Rule 14.11.

CORPORATE REPRESENTATIVES

If a representative of a nominated corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A Corporate Representative Form may be obtained from Advanced Share Registry.

SIGNING INSTRUCTIONS ON THE PROXY FORM

Individual:

Where the holding is in one name, the security holder must sign.

Joint Holding:

Where the holding is in more than one name, all of the security holders should sign.

Power of Attorney:

If you have not already lodged the Power of Attorney with Advanced Share Registry, please attach the original or a certified photocopy of the Power of Attorney to this form when you return it.

Companies:

Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held.

LODGE YOUR PROXY FORM

This Proxy Form (and any power of attorney under which it is signed) must be received at an address given below by 12.00pm AEDT on 21 March 2021, being not later than 48 hours before the commencement of the Meeting. Proxy Forms received after that time will not be valid for the scheduled meeting.



ONLINE PROXY APPOINTMENT

www.advancedshare.com.au/investor-login



BY MAIL

Advanced Share Registry Limited
110 Stirling Hwy, Nedlands WA 6009; or
PO Box 1156, Nedlands WA 6909



BY FAX

+61 8 6370 4203



BY EMAIL

admin@advancedshare.com.au



IN PERSON

Advanced Share Registry Limited
110 Stirling Hwy, Nedlands WA 6009



ALL ENQUIRIES TO

Telephone: +61 8 9389 8033

AUSTRALIAN MINES LIMITED

ABN 68 073 914 191

NOTICE OF GENERAL MEETING

TIME: 12.00pm, AEDT

DATE: 23 March 2021

PLACE: via videoconference

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

As a result of the health risks associated with the Coronavirus (COVID-19) pandemic, the General Meeting will be held via videoconference and the Company is not able to allow Shareholders to physically attend the General Meeting. Further information on how to access and use the videoconferencing facility is set out in the cover letter attached to this Notice of Meeting.

The Company encourages its Shareholders to consider lodging a directed proxy in advance of the General Meeting. The Company is happy to accept and answer questions prior to the close of proxy voting via email. Such questions should be forwarded to the following email address investor@australianmines.com.au.

If the situation in relation to COVID-19 were to change in a way that materially affects the position above, the Company will provide a further update ahead of the Meeting via the ASX Market Announcements Platform and on the Company's website at www.australianmines.com.au.

In accordance with subsection 5(f) of the Corporations (Coronavirus Economic Response) Determination (No. 1) 2020, the Company will not be despatching physical copies of the Notice of Meeting. Instead, Shareholders can access a copy of the Notice at www.australianmines.com.au.

How Shareholders Can Participate:

1. Shareholders are urged to appoint the Chair as their proxy. Shareholders can complete the Proxy Form to provide specific instructions on how a Shareholder's vote is to be cast on each item of business and the Chair must follow the Shareholder's instructions. Lodgement instructions (which include the ability to lodge proxies electronically) are set out in the Proxy Form attached to the Notice. If a person other than the Chair is appointed as proxy, the proxy will revert to the Chair in the absence of the appointed proxy holder's participation at the Meeting. Your proxy voting instructions must be received by 12.00pm (AEDT) on Sunday, 21 March 2021.
2. Shareholders may submit questions in advance of the Meeting by email to the Company Secretary at investor@australianmines.com.au. Responses will be provided at the Meeting in respect of all valid questions received prior to 5.00pm (AEDT) on 22 March 2021. There will be an opportunity to submit questions in writing during the Meeting.
3. All resolutions will be determined by way of a poll. The poll will be conducted based on votes submitted by proxy and by Shareholders who have indicated that they intend to vote during the Meeting. The Company's share registry will be facilitating voting during the Meeting

Shareholders should contact the Company Secretary on +61 7 3184 9184 or by email at investor@australianmines.com.au if they have any queries in relation to the Meeting arrangements. If the above arrangements with respect to the Meeting change, Shareholders will be updated via the ASX Market Announcements Platform at <https://www2.asx.com.au/markets/company/AUZ>.

IMPORTANT INFORMATION

TIME AND PLACE OF MEETING

Notice is given that the meeting of Shareholders to which this Notice of Meeting relates will be held at 12.00pm (AEDT) on Tuesday, 23 March 2021 via videoconference.

YOUR VOTE IS IMPORTANT

The business of the Meeting affects your shareholding and your vote is important.

VOTING ELIGIBILITY

The Directors have determined pursuant to Regulations 7.11.37 and 7.11.38 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 5.00 pm (AEDT) Australia time on 22 March 2021.

ATTENDANCE BY VIDEOCONFERENCE

If you wish to attend the Meeting via videoconference, you must register at admin@advancedshare.com.au by 5.00pm (AEDT) on 22 March 2021. You will then be sent a link to the meeting webcast.

VOTING AT THE GENERAL MEETING

All resolutions at the Meeting will be decided by poll, based on votes submitted by proxy and at the Meeting by Shareholders who have indicated that they intend to vote at the Meeting in accordance with the instructions set out above.

The Directors instruct all shareholders who would like to have their vote counted to either:

- (i) vote by lodging a proxy form as explained below; or
- (ii) register to attend the Meeting via videoconference in accordance with the instructions above, at which point you will be emailed a personalised poll form for the purpose of voting on a poll at the Meeting.

A separate personalised poll form must be completed for each Shareholder. Voting for multiple shareholders cannot be combined into one form.

The personalised poll form must be completed and returned to the Company after the poll has been called and prior to the close of polling, which will be half an hour after the Meeting closes on 23 March 2021. During the Meeting, the Chair will notify you when and how you are able to complete and return the poll form.

VOTING BY PROXY

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, members are advised that:

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company; and
- a member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does:**

- the proxy needs not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the meeting;
 - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – APPROVAL FOR A REDUCTION OF CAPITAL AND IN-SPECIE DISTRIBUTION OF NORWEST SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of section 256B and 256C of the Corporations Act and for all other purposes, approval is given for the adoption of a reduction in the Company’s share capital by way of an in specie distribution by the Company of the Norwest Shares to Eligible Shareholders, on the terms and conditions set out in the Explanatory Statement accompanying this Notice.”

BY ORDER OF THE BOARD

**BENJAMIN BELL
DIRECTOR
19 FEBRUARY 2021**

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolution which are the subject of the business of the Meeting.

Unless stated otherwise, information concerning the number of Shares on issue, market capitalisation and Share price are as at the date of the Notice of Meeting.

RESOLUTION 1 – APPROVAL FOR A REDUCTION OF CAPITAL AND IN-SPECIE DISTRIBUTION OF NORWEST SHARES

1.1 Background

The Company is listed on the ASX and its principal activity is focused on developing Cobalt-Nickel- Scandium Projects in Australia to meet the demand for battery materials created by a shift to cleaner, more sustainable energy solutions.

As announced to the ASX in November 2018 the Company 'spun-out' its gold and copper exploration interests into the ASX-listed Norwest Minerals Limited (ACN 622 979 275) (**Norwest**). Australian Mines' minority shareholding in Norwest was in escrow until 29 November 2020. At the date of this Notice, the Company's shareholding in Norwest was valued at approximately \$1.8 million.

The Company's intention was to distribute its interest in Norwest to its shareholders (**Shareholders**) at the appropriate time. The Company believes the combination of its holding in Norwest coming out of escrow, the current strength of the gold price and positive sentiment in the gold market creates an opportunity to distribute its shares in Norwest (**Norwest Shares**) to the Shareholders.

As announced on the ASX on 26 October 2020, the Company seeks Shareholder approval under Resolution 1 to enable the Company to reduce its capital by the distribution of specific assets to Shareholders, being 21,000,000 Norwest Shares held by the Company in Norwest on a pro-rata basis (**In-Specie Distribution**).

The In-Specie Distribution of the Norwest Shares is conditional upon the Company obtaining Shareholder approval.

The Corporations Act and ASX Listing Rules set out the procedure and timing for the In-Specie Distribution. Please refer to section 1.11 of the Notice of Meeting for an indicative timetable in relation to the In-specie Distribution. The alteration of the Company's capital and the In-Specie Distribution will become effective from the Record Date, provided that after the Record Date has been set, the Directors have not provided a notice to ASX stating that the Company does not intend to proceed with the reduction of capital contemplated by Resolution 1.

As at the date of this Notice, there are 3,961,453,850 Shares on issue in the Company. Assuming no further Shares are issued by the Company prior to the Record Date, the distribution ratio for the In-Specie Distribution will be approximately 1:189. As such, if the In-Specie Distribution proceeds, Shareholders will receive from the Company a pro-rata entitlement of the Norwest Shares on the basis of 1 Norwest Share for every 189 Shares held on the Record Date, rounded to the nearest whole number. A Shareholder's entitlement to Norwest Shares to be distributed is to be based on the number of Shares held at the Record Date.

1.2 Reasons for requiring Shareholder approval

The In-Specie Distribution is an equal capital reduction for the purposes of the Corporations Act. Section 256B of the Corporations Act provides that a company may only reduce its capital if the reduction:

- (a) is fair and reasonable to shareholders as a whole;
- (b) does not materially prejudice the company's ability to pay its creditors; and

(c) is approved by shareholders in accordance with section 256C of the Corporations Act.

“Fair and reasonable to shareholders as a whole”

The Directors are of the view that the equal capital reduction as a result of the In-Specie Distribution (**Equal Capital Reduction**) is fair and reasonable to Shareholders as a whole, because the reduction will apply equally to all Shareholders having regard to the number of Shares each Shareholder holds on the Record Date. Each Eligible Shareholder will receive 1 Norwest Share for every 189 Shares held by them on the Record Date.

The distribution will result in Shareholders moving from an indirect ownership of Norwest Shares (through their ownership of Shares) to a direct ownership. The In-Specie Distribution is therefore reasonable.

The Directors believe that the Equal Capital Reduction is fair and reasonable to Shareholders for the reasons set out in this Explanatory Statement.

“Does not materially prejudice the company’s ability to pay its creditors”

The Directors have reviewed the Company’s assets and liabilities (including contingent liabilities) and believe that the reduction of capital will not materially prejudice the Company’s ability to pay its creditors.

“Approved by shareholders in accordance with section 256C of the Corporations Act”

Australian Mines is seeking approval from Shareholders, as required by section 256C of the Corporations Act.

In accordance with section 256C of the Corporations Act, a copy of this Notice of Meeting and Explanatory Statement was lodged with ASIC.

1.3 Effect of the proposed Equal Capital Reduction on Australian Mines

The Equal Capital Reduction (if approved) would result in Eligible Shareholders receiving from Australian Mines a pro rata distribution of Norwest Shares on the basis of 1 Norwest Share for every 189 Shares held on the Record Date, rounded to the nearest whole number.

The effect on Australian Mines’ balance sheet is set out in an unaudited pro-forma statement of financial position detailed in Annexure 1 of this Explanatory Statement.

The significant accounting policies upon which the unaudited pro-forma statement of financial position is based on is contained in the Company’s audited yearly financial report for the period ended on 30 June 2020. A copy of the report is available on the Company’s website.

There will be no impact on the capital structure of the Company from the Equal Capital Reduction.

1.4 Effect of the Equal Capital Reduction on Australian Mines Shareholders

If the Equal Capital Reduction is approved and implemented, the value of a Share before the Equal Capital Reduction will be split and shared between:

- (a) a Norwest Share; and
- (b) a Share.

This may result in a fall in the price of a Share following the Equal Capital Reduction’s implementation. Shares in Norwest are to be held subject to its constitution, a copy of which can be provided upon written request from a Shareholder to the Company and will be sent to that Shareholder’s address as recorded in the Company share register, at no cost to that Shareholder.

(a) What will you receive?

Subject to Shareholders approving Resolution 1 and section 1.15, Eligible Shareholders will receive an in-specie return of capital by way of the distribution of Norwest Shares in proportion to the number of Shares held by them at the Record Date. See section 1.15 for details on the treatment of foreign Shareholders who may not be eligible to be transferred the Norwest Shares.

Shareholders are not required to contribute any payment for the Norwest Shares which they are entitled to receive under the In-Specie Distribution.

(b) **What is the impact on your shareholding in the Company?**

The Equal Capital Reduction will have no effect on the number of Shares held by Shareholders in the Company. The Company has no partly paid shares on issue and no convertible securities (including options) on issue.

(c) **Do you have to do anything to receive your Norwest Shares?**

If the In-Specie Distribution proceeds, you will automatically receive the Norwest Shares you are entitled to receive (unless you are an Ineligible Shareholder, in which case you will receive the proceeds), even if you vote against the In-Specie Distribution or do not vote at all.

(d) **Will I be able to trade my Norwest Shares?**

If the In-Specie Distribution is approved by Shareholders and is implemented, a holder of Norwest Shares will be able to trade their Norwest Shares in future without restriction.

(e) **What are the taxation implications of the In-Specie Distribution?**

See section 1.13 of this Notice.

1.5 **The advantages and disadvantages of the Equal Capital Reduction on the Company**

The advantages and disadvantages of the Equal Capital Reduction on the Company are set out in this section 1.5 of this Explanatory Statement.

(a) **Advantages**

- (i) An in-specie distribution by way of an equal capital reduction is an equitable way to distribute the realised value from “spin-out” of Norwest.
- (ii) The intention of the Company was to spin out Norwest to its Shareholders at Norwest’s IPO but this was not possible due to the escrow requirements of ASX. The Equal Capital Reduction therefore fulfils the Company’s original plans.
- (iii) Shareholders will be able to gain a direct interest in Norwest and its projects and will therefore allow each Shareholder to manage their exposure to Norwest directly.
- (iv) Shareholders can continue to retain their current percentage ownership interest in the capital of the Company.
- (v) The In-Specie Distribution provides Shareholders with a listed investment and will allow Shareholders to participate in any future Norwest offers to its shareholders. Investors can determine for themselves whether to increase, decrease or maintain their interests in Norwest.
- (vi) If a Shareholder decides to sell its Norwest Shares in the future, the investment is liquid and therefore can be converted into cash.
- (vii) All Shareholders will collectively obtain an approximate 19.29% interest in the Norwest projects through their individual pro-rata shareholdings in Norwest.

(b) **Disadvantages**

- (i) Shareholders will become holders of Norwest Shares and will be exposed to risks in holding Norwest Shares (see Section 1.10). In addition, the objectives and interests of Norwest may not align with those of Shareholders.

- (ii) Norwest Shares may fall or rise in value.
- (iii) Shareholders may incur additional transaction costs if they wish to dispose of their new investment in Norwest (for example brokerage costs).
- (iv) There may be taxation consequence in respect of the distribution of the Norwest Shares to Shareholders. Details of the general taxation effect of the transaction are set out in section 1.13 of this Explanatory Statement.
- (v) The ownership interest of Australian Mines in Norwest will be reduced to nil, meaning Australian Mines will lose the capacity to influence Norwest through its current substantial shareholding.

The Company cannot, and does not, make any representation or prediction as to what the value or price of Norwest Shares will be at the time of In-Specie Distribution of Norwest Shares to the Shareholders nor subsequently.

1.6 Offers that require disclosure under a Prospectus and Secondary Trading

The Corporations Act restricts:

- (a) Australian Mines from distributing the Norwest Shares to the Australian Mines Shareholders by way of the in-specie distribution, without issuing a prospectus; and
- (b) Australian Mines Shareholders from on-selling their Norwest Shares within 12 months of receiving them under the In-specie Distribution.

ASIC confirmed to the Company that the Company was not required to apply for and receive ASIC relief from the above restrictions.

Accordingly, the Company may distribute the Norwest Shares by way of the in-specie distribution without the need for a prospectus and Shareholders may on-sell their Norwest Shares after receiving them under the in-specie distribution.

1.7 Disclosure to ASX

The Company, as an entity with Shares quoted on the Official List of the ASX, is a disclosing entity and, as such, is subject to regular reporting and disclosure obligations. Copies of documents lodged in relation to the Company may be obtained for a fee from, or inspected at, an office of ASIC or can be accessed at the Company's ASX announcements platform.

1.8 Board changes

The Company's current Directors are Mr Michael Ramsden, Mr Benjamin Bell, Mr Michael Ramsden, Mr Michael Elias, Mr Les Guthrie and Mr Dominic Marinelli. The Board is not expected to change as a result of the In-Specie Distribution.

The board of Norwest comprises of Mr Michael Tilley, Mr Yew Fei Chee, Mr Ching Hong Loong, and Kok Hou Leong. The board is not expected to change as a result of the In-Specie Distribution.

1.9 Overview of Norwest

Except where otherwise stated or is clear from the context, the information in this section 1.9 has been sourced from public information released by Norwest on ASX. Shareholders should refer to the ASX website at www.asx.com.au to access Norwest's periodic and continuous disclosure for further information.

Norwest Minerals is a gold exploration company focused on its Marymia East and Arunta West gold projects; both located in Western Australia.

The Marymia East Gold project includes the Company's Bulgera (100%) and Marymia (81%) tenement package located 200kms north of Meekatharra in a +6.5mozs gold district. Exploration work at Bulgera in 2020-21 will focus on drilling below the shallow 93,880oz gold resources to test

deeper in the mine sequence (+150 metres) where great success is being reported along strike by Vango Mining. At Marymia exploration drilling will target the northeast extension of Lodestar's Ned's Creek gold prospect (Vango Mining spending \$5m to earn 51%) where the highly mineralised Contessa granite contact appears to continue into Norwest's Marymia tenement area.

The Arunta West Project is located 600 kilometres west of Alice Springs in Western Australia and is strategically positioned immediately west of Independence Group Limited's (ASX:IGO) Lake MacKay project hosting several new copper-gold and nickel-cobalt prospect discoveries. Since acquisition, Norwest has completed 1,524m of diamond drilling, 12,330m of reverse circulation drilling and have collected 3,330 multi-element soil samples. Analysis of this data has identified 5 (five) new high priority "Areas of Interest" for IOCG & gold mineralisation. These areas will be tested in 2021 by infill multi-element soil sampling to highlight potential walk-up drill targets.

For further information please visit www.norwestminerals.com.au

1.10 Risk Factors

On successful completion of the In-Specie Distribution, Shareholders will become shareholders in Norwest and should be aware of the general and specific risk factors which may affect Norwest and the value of its securities. The risk factors are set out in Annexure 2. The risk factors have been reviewed by each of the boards of directors of the Company and Norwest are considered applicable.

1.11 Indicative Timetable

Subject to the ASX Listing Rules and the Corporations Act requirements, the Company anticipates that completion of the Capital Reduction and the Distribution will be in accordance with the following timetable approved by the ASX.

Event	Date
Announcement of Equal Capital Reduction on ASX	26 October 2020
Notice of Meeting dispatched to Shareholders	19 February 2021
Last time and date to lodge Proxy Forms	21 March 2021
Time and date to determine voting eligibility at the General Meeting	22 March 2021
General Meeting to approve the In-Specie Distribution	23 March 2021
Announcement of effective date for the return of capital	24 March 2021
Effective date of the return of capital	25 March 2021
Last day for trading of Shares on a "cum" Equal Capital Reduction entitlement basis (Shares acquired after this date will not be entitled to participate in the In-Specie Distribution)	26 March 2021
Start of trading of Shares on an "ex" Equal Capital Reduction entitlement basis	29 March 2021
Time and date to determine entitlements under the In-Specie Distribution (Record Date)	30 March 2021
In-Specie distribution to Shareholders of Norwest Shares	31 March 2021
Last day for distribution to Shareholders of Norwest Shares and lodgement of Appendix 2A	6 April 2021

1.12 Norwest Shares

The share capital of Norwest consists of ordinary shares. The Norwest Shares will be fully paid and rank pari passu with the other issued Norwest Shares. As the Norwest Shares to be distributed will be fully paid shares, they will not be subject to any calls for money by the Norwest directors and will therefore not become liable for forfeiture.

A summary of the more significant rights and obligations attaching to Norwest Shares is set out below. Full details of the rights attaching to all Norwest Shares are set out in Norwest's constitution, a copy of which is available for inspection at Norwest's registered office during normal business hours and at Norwest's website www.norwestminerals.com.au.

(a) **General meeting**

Each member is entitled to receive notice of, and to attend and vote at, general meetings of Norwest and to receive all notices, accounts and other documents required to be sent to members under the constitution, the Corporations Act or the ASX Listing Rules.

(b) **Voting**

Subject to any rights or restrictions for the time being attached to any class or classes of shares whether by the terms of their issue, the constitution, the Corporations Act or the ASX Listing Rules, at a general meeting of Norwest every holder of fully paid ordinary shares present in person or by a representative, proxy or attorney has one vote on a show of hands and every such holder present in person or by a representative, proxy or attorney has one vote per share on a poll. A person who holds an ordinary share which is not fully paid is entitled, on a poll, to a fraction of a vote equal to the proportion which the amount paid bears to the total issue price of the share. A member is not entitled to vote unless all calls and other sums presently payable by the member in respect of shares in Norwest have been paid. Where there are two or more joint holders of the share and more than one of them is present at a meeting and tenders a vote in respect of the share (whether in person or by proxy or attorney), Norwest will count only the vote cast by the member whose name appears before the other(s) in Norwest's register of members.

(c) **Issues of further shares**

The Norwest directors may, on behalf of Norwest, issue, grant options over or otherwise dispose of unissued shares to any person on the terms, with the rights, and at the times that the Norwest directors decide. However, the Norwest directors must act in accordance with the restrictions imposed by the constitution, the ASX Listing Rules, the Corporations Act and any rights for the time being attached to the shares in special classes of shares.

(d) **Variation of rights**

At present Norwest has on issue one class of shares only, namely ordinary shares. The rights attached to the shares in any class may be altered only by a special resolution of Norwest and a special resolution passed at a separate meeting of the holders of the issued shares of the affected class, or with the written consent of the holders of at least three quarters of the issued shares of the affected class.

(e) **Transfer of shares**

Subject to the constitution, the Corporations Act, the ASX Settlement Operating Rules and the ASX Listing Rules, ordinary shares are freely transferable. The shares may be transferred by a proper transfer effected in accordance with ASX Settlement Operating Rules, by any other method of transferring or dealing introduced by ASX and as otherwise permitted by the Corporations Act or by a written instrument of transfer in any usual form or in any other form approved by the Norwest directors that is permitted by the Corporations Act.

Norwest may decline to register a transfer of shares in the circumstances described in the constitution and where permitted to do so under the ASX Listing Rules. If Norwest

declines to register a transfer, Norwest must give the lodging party written notice of the refusal and the reasons for refusal. The Norwest directors must decline to register a transfer of shares when required by law, by the ASX Listing Rules or by the ASX Settlement Operating Rules.

(f) **Partly paid shares**

The Norwest directors may, subject to compliance with the constitution, the Corporations Act and the ASX Listing Rules, issue partly paid shares upon which amounts are or may become payable at a future time(s) in satisfaction of all or part of the unpaid issue price.

(g) **Dividends**

Subject to the Corporations Act, the ASX Listing Rules, the constitution and the rights of any person entitled to shares with special rights to dividend, the Norwest directors may determine that a dividend is payable. Norwest in general meeting may declare a dividend if the Norwest directors have recommended a dividend and a dividend shall not exceed the amount recommended by the Norwest directors. The Norwest directors may authorise the payment to the members of such interim dividends as appear to the Norwest directors to be justified by Norwest's profits and for that purpose may declare such interim dividends. Subject to the rights of members entitled to shares with special rights as to dividend (if any), all dividends in respect of shares (including ordinary shares) are to be declared and paid proportionally to the amount paid up or credited as paid up on the shares.

(h) **Winding up**

Subject to the rights of holders of shares with special rights in a winding up, if Norwest is wound up, members (including holders of ordinary shares) will be entitled to participate in any surplus assets of Norwest in proportion to the shares held by them respectively irrespective of the amount paid up or credited as paid up on the shares.

(i) **Dividend plans**

The Norwest directors may establish and maintain dividend plans under which (among other things) a member may elect that dividends payable by Norwest be reinvested by way of subscription for shares in Norwest or a member may elect to forego any dividends that may be payable on all or some of the shares held by that member and to receive instead some other entitlement, including the issue of shares.

(j) **Norwest directors**

The constitution states that the minimum number of Norwest directors is three.

(k) **Powers of the Norwest board**

The Norwest directors have power to manage the business of Norwest and may exercise that power to the exclusion of the members, except as otherwise required by the Corporations Act, any other law, the ASX Listing Rules or the constitution.

1.13 **Taxation impact on the Company as a consequence of the Equal Capital Reduction**

This Section outlines the likely Australian income tax implications for certain Shareholders from the Equal Capital Reduction and the following comments are based on the application of Australian taxation laws in force at the date of this Explanatory Statement.

The views expressed in this summary are not intended as specific advice to Shareholders. The application of tax legislation may vary according to the individual circumstances of Shareholders. In this regard, the comments below are only relevant to those Shareholders who hold their Shares on capital account (i.e. have not been held for the purpose of resale or as trading stock).

Furthermore, this summary does not apply to:

- (a) Shareholders who are not the beneficial owners of their Shares in the Company; and
- (b) Shareholders who are not residents of Australia for tax purposes.

It should be emphasised that these comments are general in nature, may not be applicable to your individual circumstances and cannot be relied upon for accuracy or completeness.

You should therefore seek and rely on your own taxation advice in relation to the taxation consequences of the Equal Capital Reduction. Neither the Company nor any of its officers, or its advisers accept liability or responsibility with respect to such consequences.

The following is an overview of the Australian tax implications relevant to the proposed in-specie distribution for an Australian resident Shareholder who holds Shares on capital account.

- (a) The return of capital will trigger CGT event G1 (section 104-135 of the Income Tax Assessment Act 1997) which occurs where a company makes a payment to a shareholder in respect of a share they own in a company and some or all of the payment is not a dividend.
- (b) The cost base and reduced cost base to Shareholders of their Shares is reduced (but not below nil) by the non-assessable part of the distribution in-specie (being the return of capital amount).
- (c) A Shareholder makes a capital gain if the non-assessable part of the distribution in-specie in relation to each Share exceeds the cost base of the Share, with the capital gain generally being equal to that excess.
- (d) Each Shareholder will need to determine this on the CGT cost-base of their individual holding.
- (e) If the Shares were acquired by the Shareholder more than 12 months before the date of payment, a capital gain from the CGT event G1 (if any) may qualify as a discount capital gain if the other conditions in Subdivision 115-A of the 1997 Tax Act are satisfied.

We recommend that non-Australian resident Shareholders seek specific advice by reference to their own circumstances so as to determine their Australian CGT position.

The taxation consequences to Shareholders (resident and non-resident in Australia) who may hold Shares on revenue account or through a company or superannuation fund will depend on their specific circumstances and, accordingly, Shareholders such as share traders and professional investors should seek their own specific advice.

The proposed in-specie distribution may constitute a deemed dividend to Shareholders. The Company has applied to ATO for clarification of whether the in-specie distribution may constitute a deemed dividend and if so, whether an exemption will be necessary.

The Company will update Shareholders once that advice has been received.

1.14 Directors' Interests

Set out below is a table which indicates the Company securities in which the Directors have a relevant interest and the number of Norwest Shares they will have a relevant interest in if Resolution 1 is passed and the In-Specie Distribution is implemented.

	Michael Ramsden	Benjamin Bell	Michael Elias	Dominic Marinelli	Les Guthrie
Australian Mines Shares	72,094,670	66,093,067	18,422,897	44,866,368	-
Norwest Shares Directors will receive under the In-Specie Distribution	381,453	349,699	97,476	237,388	-

1.15 Ineligible Shareholders

(a) *Foreign Shareholders*

Foreign laws may restrict the Company from transferring the Norwest Shares to Shareholders in countries other than Australia. This Explanatory Statement has been prepared to comply with Australian law and is only being made available to Shareholders. This Explanatory Statement has been prepared having regard to Australian disclosure requirements. These requirements may be different from those in other jurisdictions.

No action has been taken by the Company to register the Norwest Shares to be transferred pursuant to the In-Specie Distribution in any jurisdiction outside Australia.

Based on the information available to the Company, shareholders of the Company whose addresses are shown in the register on the record date for the In-Specie Distribution as being in the following jurisdictions will be entitled to have Norwest Shares issued to them under the In-Specie Distribution subject to any qualifications set out below in respect of that jurisdiction:

- Hong Kong;
- New Zealand;
- Nigeria; and
- any other person or jurisdiction in respect of which the Company reasonably believes that it is not prohibited and not unduly onerous or impractical to issue Shares to an Australian Mines shareholder with a registered address in such jurisdiction.

Nominees, custodians and other Australian Mines shareholders who hold Australian Mines shares on behalf of a beneficial owner resident outside Australia, Hong Kong, New Zealand and Nigeria, may not forward this Notice of Meeting (or any accompanying document) to anyone outside these countries without the consent of the Company.

The In-Specie Distribution restriction legend is as follows.

Hong Kong

WARNING: The contents of this Notice of Meeting have not been reviewed or approved by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the In-Specie Distribution. If you are in any doubt about any of the contents of this Notice of Meeting, you should obtain independent professional advice.

This Notice of Meeting does not constitute an offer or invitation to the public in Hong Kong to acquire or subscribe for or dispose of any securities. This Notice of Meeting also does not constitute a prospectus (as defined in section 2(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong)) or notice, circular, brochure or advertisement offering any securities to the public for subscription or purchase or calculated to invite such offers by the public to subscribe for or purchase any securities, nor is it an advertisement, invitation or document containing an advertisement or invitation falling within the meaning of section 103 of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

Accordingly, unless permitted by the securities laws of Hong Kong, no person may issue or cause to be issued this Notice of Meeting in Hong Kong, other than to persons who are "professional investors" as defined in the Securities and Futures Ordinance and any rules made thereunder or in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance or which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

No person may issue or have in its possession for the purposes of issue, this Notice of Meeting or any advertisement, invitation or document relating to these securities, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than any such advertisement, invitation or document relating to securities that are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance and any rules made thereunder.

Copies of this Notice of Meeting may be issued to a limited number of persons in Hong Kong in a manner which does not constitute any issue, circulation or distribution of this Notice of Meeting, or any offer or an invitation in respect of these securities, to the public in Hong Kong. This Notice of Meeting is for the exclusive use of Australian Mines shareholders in connection with the In-Specie Distribution. No steps have been taken to register or seek authorisation for the issue of this Notice of Meeting in Hong Kong.

This Notice of Meeting is confidential to the person to whom it is addressed and no person to whom a copy of this Notice of Meeting is issued may issue, circulate, distribute, publish, reproduce or disclose (in whole or in part) this Notice of Meeting to any other person in Hong Kong or use for any purpose in Hong Kong other than in connection with consideration of the In-Specie Distribution by Australian Mines shareholders.

New Zealand

This Notice of Meeting is not a New Zealand disclosure document and has not been registered, filed with or approved by any New Zealand regulatory authority under or in accordance with the Financial Markets Conduct Act 2013 or any other New Zealand law. The offer of Shares under the In-Specie Distribution is being made to existing shareholders of the Company in reliance upon the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016 and, accordingly, this Notice of Meeting may not contain all the information that a disclosure document is required to contain under New Zealand law.

Nigeria

This Notice of Meeting has not been, and will not be, registered with the Nigerian Securities and Exchange Commission under the Nigerian Investment and Securities Act No. 29 of 2007 ("ISA") or the Rules and Regulations of the Nigerian SEC, 2013 (as amended) (the "Nigerian SEC Rules"). This Notice of Meeting is not a disclosure document, an offering circular or an invitation to the public within the meaning of the ISA or the Nigerian SEC Rules. Accordingly, this Notice is not directed to, and the Norwest Shares are not being offered to any persons within Nigeria, other than the selected persons to whom the Notice of Meeting has been addressed, who are existing shareholders of the Company.

(b) *Unmarketable Parcel Shareholders*

Shareholders who on the Record Date have an aggregate entitlement under the In-Specie Distribution valued at \$500 or less will not be entitled to receive Norwest Shares under the Equal Capital Reduction (**Unmarketable Parcel Shareholders**).

(c) *Sale Facility*

Whilst the Equal Capital Reduction will apply to all Shareholders, Norwest Shares will only be transferred to those Shareholders with a registered address in Australia, New Zealand, Hong Kong or Nigeria on the Record Date, or to a Shareholder to whom, in the Directors' opinion, the transfer of the Norwest Shares can be made without imposing undue burden and cost on the Company having regard to the laws of the applicable foreign jurisdiction and are not Unmarketable Parcel Shareholders (**Eligible Shareholders**). Shareholders other than Eligible Shareholders on the Record Date will be deemed as Ineligible Shareholders and will not receive Norwest Shares.

The Company will take reasonable steps to sell the Norwest Shares which would have otherwise been transferred to Ineligible Shareholders as soon as practicable after the effective date for the In-Specie Distribution.

The Company will sell those Norwest Shares at such price and on such terms as the Company determines in good faith and at the risk of the Ineligible Shareholders. As the market price of Norwest Shares will be subject to change from time to time, the sale price of those Norwest Shares cannot be guaranteed. The proceeds from the sale (in Australian dollars) will be distributed to Ineligible Shareholders (after deducting the costs of the sale and the distribution of the proceeds) as soon as practicable after the sale.

The amount received by Ineligible Shareholders for each Norwest Share which would have otherwise been transferred to Ineligible Shareholders may be less or more than the actual price that is received by the Company for that particular Norwest Share.

1.16 **Fractional Entitlements**

In determining the number of Norwest Shares to be transferred by the Company to the Shareholders under the In-Specie Distribution, fractional entitlements to Norwest Shares will be rounded to the nearest whole number.

1.17 **Lodgement with ASIC**

Australian Mines has lodged with ASIC a copy of this Notice of Meeting and the Explanatory Statement in accordance with section 256C of the Corporations Act.

1.18 **Directors' Recommendation and interests**

No Director will receive any payment or benefit of any kind as a consequence of the Equal Capital Reduction contemplated by the Resolution other than as an existing shareholder in the Company.

The Directors recommend that Shareholders vote in favour of Resolution 1 for the reasons outlined in Section 1.5(a) above.

1.19 The Company's Constitution

Clause 2.4 of the Constitution permits the Company to conduct a distribution in specie of shares in another company, with Shareholders being deemed to have appointed the Company to agree on their behalf to become members in, and be bound by the constitution of, a company in which shares are distributed to the Shareholders.

This means that if Resolution 1 is approved, all Eligible Shareholders will be deemed to have agreed to become members in Norwest and to be bound by Norwest's constitution.

Relevant Shareholder information will be provided to Norwest's security share registry to enable registration of the holdings of Norwest Shares, including holder name, address, email address and number of Norwest Shares. Other information will not be provided.

1.20 Other material information

There is no information material to a decision by a Shareholder whether or not to approve the Equal Capital Reduction and the In-Specie Distribution (being information that is known to any of the Directors and which has not previously been disclosed to Shareholders) other than as disclosed in this Explanatory Statement.

Shareholders should seek professional advice in relation to any questions they may have arising out of this Explanatory Statement or the Equal Capital Reduction and the In-Specie Distribution generally.

GLOSSARY

\$ means Australian dollars.

AEDT means Australian Eastern Daylight Time.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair of the Meeting.

Company means Australian Mines Limited (ACN 073 914 191).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the current directors of the Company.

Eligible Shareholders has the meaning given to it in section 1.15(c).

Equal Capital Reduction has the meaning given to that term in section 1.2.

Explanatory Statement means the explanatory statement accompanying the Notice.

General Meeting or **Meeting** means the meeting convened by the Notice.

In-Specie Distribution has the meaning given to that term in section 1.1.

Ineligible Shareholder means Shareholders other than Eligible Shareholders.

Norwest mean Norwest Minerals Limited (ACN 622 979 275).

Norwest Shares has the meaning given to that term in section 1.1.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Proxy Form means the proxy form accompanying the Notice.

Record Date means the distribution record date as provided for in section 1.11, being 30 March 2021.

Resolution means the resolution set out in the Notice.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share

ANNEXURE 1 - PRO-FORMA BALANCE SHEET

Australian Mines Limited

Consolidated Balance Sheet

	Pro-forma Balance Sheet As at 15 December 2020
Current Assets	
Cash and Cash Equivalents	6,470,698
Trade and Other Receivables	550,808
Total Current Assets	7,021,505
Non-Current Assets	
Exploration and Evaluation Assets	31,597,463
Investment Accounted for Equity Method	0
Property, Plant and Equipment	694,241
Intangibles	4,860
Total Non-Current Assets	32,296,564
Total Assets	39,318,069
Current Liabilities	
Trade and Other Payables	369,124
Provisions	242,486
Lease Liability	170,472
Total Current Liabilities	782,081
Non-Current Liabilities	
Provisions	0
Lease Liability	390,158
Total Non-Current Liabilities	390,158
Total Liabilities	1,172,239
Net Assets	38,145,830
Equity	
Contributed Equity	90,602,685
Share & Option Reserves	4,051,714
Retained losses	-55,113,084
Net Loss	-1,395,485
Total Equity	38,145,830

Note:

This pro forma Balance Sheet shows the impact of simple removal of the value of Norwest Minerals Limited following the distribution. The actual impact on the Balance Sheet will depend on various considerations, such as the result of the class ruling, tax and financial reporting advice.

ANNEXURE 2 - RISK FACTORS

1.1 Introduction

There are specific risks which relate directly to Norwest's business. In addition, there are other general risks, many of which are largely beyond the control of Norwest and the Norwest directors. The risks identified in this Annexure, or other risk factors, may have a material impact on the financial performance of Norwest and the market price of the Norwest Shares.

The following is not intended to be an exhaustive list of the risk factors to which Norwest is exposed.

1.2 Company specific

Norwest specific risks set out below are also summarised below.

(a) Land access and tenure

Mining and exploration tenements are subject to periodic renewal. The tenements the subject of the Norwest projects are subject to the Mining Act and the Mining Regulations. The maintaining of exploration licences, obtaining renewals, or getting additional exploration or mining licences granted, often depends on Norwest being successful in obtaining the required statutory approvals for its proposed activities and that the licences, concessions, leases, permits or consents it holds will be renewed as and when required. There is no assurance that such renewals will be given as a matter of course and there is no assurance that new conditions (such as increased expenditure and work commitments) will not be imposed in connection with any such renewals. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or the performance of Norwest.

(b) Native title and access risk

The mining tenements in which Norwest holds, or intends to acquire, an interest extend over areas in which legitimate native title rights of indigenous Australians exist. The ability of Norwest to gain access to some or all of the mining tenements and to conduct exploration development and mining operations remains subject to native title rights and the terms of registered native title agreements.

The right to negotiate process under native title matters can result in significant delays to the implementation of any project or stall it. Negotiated native title agreements may adversely impact on the economics of projects depending on the nature of any commercial terms agreed.

(c) Liquidity risk

There is no guarantee that an active market in the Norwest Shares will develop or that the price of the Norwest Shares will increase. There may be relatively few buyers or sellers of the Norwest Shares on the ASX at any particular time, which will adversely affect the liquidity of the Norwest Shares on ASX.

(d) Resource estimations

Estimating the quantity and quality of Mineral Resources is an inherently uncertain process and any Mineral Resources or Ore Reserves that Norwest states in the future are and will be estimates and may not prove to be an accurate indication of the quantity and/or grade of mineralisation that Norwest has identified or that it will be able to extract, process and sell.

Mineral Resource estimates are expressions of judgement based on knowledge, experience and industry practice. Mineral Resource estimates are necessarily imprecise and depend to some extent on interpretations and geological assumptions, the application of sampling techniques, estimates of commodity prices, cost assumptions, and statistical inferences which may ultimately prove to have been unreliable.

The inclusion of Mineral Resource estimates should not be regarded as a representation that these amounts can be economically exploited and investors are cautioned not to

place undue reliance on Mineral Resource estimates, particularly Inferred Mineral Resource estimates, which are highly uncertain.

Mineral Resource estimates are often regularly revised based on actual production experience or new information and are therefore expected to change. Furthermore, should Norwest encounter mineralisation or formations different from those predicted by past drilling, sampling and similar examinations, Norwest's Mineral Resource estimates may have to be adjusted and mining plans, processing and infrastructure may have to be altered in a way that might adversely affect Norwest's operations. Moreover, a decline in the price of gold, increases in production costs, decreases in recovery rates or changes in applicable laws and regulations, including environment, permitting, title or tax regulations, that are adverse to Norwest, may mean the volumes of mineralisation that Norwest can feasibly extract may be significantly lower than Mineral Resource estimates indicated.

If it is determined that mining of certain of Norwest's Mineral Resources or any Ore Reserves derived from them have become uneconomic, this may ultimately lead to a reduction in the quantity of Norwest's aggregate Mineral Resources being mined, or result in Norwest deciding not to proceed with the project.

If Norwest's actual Mineral Resources are less than current estimates, its prospects, value, business, results of operations and financial condition may be materially adversely affected.

(e) **Exploration and evaluation risks**

The mineral exploration licences of Norwest are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings. There can be no assurance that exploration activities conducted on these exploration licences, or any other licences that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

The future exploration activities of Norwest may be affected by a range of factors, including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, native title processes, changing government regulations and many other factors beyond the control of Norwest.

The success of Norwest will also depend upon Norwest having access to sufficient development capital, being able to maintain title to its exploration licences and obtaining all required approvals for its activities. In the event that exploration programmes prove to be unsuccessful, this could lead to a diminution in the value of the exploration licences, a reduction in the cash reserves of Norwest and possible relinquishment of the exploration licences.

The exploration costs of Norwest are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect Norwest's viability.

(f) **Ability to exploit successful discoveries**

It may not always be possible for Norwest to exploit successful discoveries which may be made in areas in which Norwest has an interest. Such exploration would involve obtaining the necessary licences or clearances from the relevant authorities that may require conditions to be satisfied and/or the exercise of discretions by such authorities. It may or may not be possible for such conditions to be satisfied. Further, the decision to proceed to further exploration may require participation of other companies whose interests and objectives may not align or be the same as Norwest's.

(g) **Joint venture and counterparty risks**

Norwest is a party to various contracts.

As in any contractual relationship, the ability of Norwest to earn further interests in the exploration licences is dependent upon Norwest's ability to comply with its obligations (including its payment obligations), and each of the joint venture partners complying with its contractual obligations under the respective joint venture agreements. If either of the joint venture partners default in the performance of their obligations, it may be necessary for Norwest to approach a court to seek a legal remedy, which may be costly and ultimately may not be granted on appropriate terms, if at all.

There are also counterparty, bankruptcy, creditor, termination and operational risks.

(h) **Development risks and costs**

If Norwest makes a decision to proceed with developing any of its projects to the production stage, the process of developing and constructing the mine will be subject to additional risks, including those set out in this Annexure.

While Norwest would make a decision to proceed to production only after completing feasibility studies, which will be prepared with a higher level of detailed investigation and therefore a higher degree of assumed accuracy than the work completed to date, there will remain a risk that economic and technical estimates and assumptions will prove to be inaccurate, and unforeseen factors will result in outcomes that are materially less favourable than those estimated or assumed in the feasibility study.

There are many uncertainties that are inherent in developing a mining project, including:

- (i) the availability of capital to finance feasibility studies, construction and development activities;
- (ii) the timing and cost of constructing mining and processing facilities and related infrastructure;
- (iii) the availability and cost of skilled labour, power, water and transport; and
- (iv) the need to obtain necessary governmental permits and the timing of those permits.

As with any mining project, Norwest may experience unexpected problems and delays during development, construction and mine start-up. Even if mining commences, there is a risk that the geology of the mines will be more complex than Norwest's geological investigations have indicated, and that the ore extracted will be lower grade or have different metallurgy than anticipated, which may increase mining costs, increase processing costs or result in lower recoveries.

(i) **Operating risks**

Norwest may be subject to the risks involved in the establishment of a new mining operation if Norwest decides to develop its mineral assets. There is no assurance that can be given to the level of viability that Norwest's operations may achieve. Lower than expected productivity and technical difficulties and late delivery of materials and equipment could have an adverse impact on any future construction and commissioning schedules. No assurance can be given that the intended production schedules will be met or that the estimated operating cash costs and development costs will be accurate.

Further, the operations of Norwest, if production commences, may have to be shut down or may otherwise be disrupted by a variety of risks and hazards which are beyond the control of Norwest, including environmental hazards, industrial accidents, technical failures, labour disputes, weather conditions, fire, explosions and other accidents at the mine, processing plant or related facilities beyond the control of Norwest. The

occurrence of any of the risks and hazards could also result in damage to, or destruction of, amongst other things, production facilities, personal injury, environmental damage, business interruption, monetary losses and possible legal liability. While Norwest currently maintains insurance within ranges of coverage consistent with industry practice, no assurance can be given that Norwest will be able to obtain such insurance coverage at reasonable rates (or at all, or that any coverage it obtains will be adequate and available to cover any such claims).

(j) **Environmental risk**

Norwest is subject to a number of laws and regulations to minimise the environmental impact of any operations as well as rehabilitation of any areas affected by Norwest's operations. These laws can be costly to operate under and can change, further adversely affecting Norwest. No assurance can be given that current or future requirements under environmental laws will not result in the cessation of exploration or production activities, the curtailment of production or a material increase in the costs of production, development or exploration activities or otherwise adversely affect Norwest's financial condition, results of operations or prospects. Penalties for failure to adhere to the laws or in the event of environmental damage the penalties and remediation costs can be substantive.

Norwest may require approval from relevant authorities before it can undertake activities that may impact the environment. Failure to obtain such approvals may prevent Norwest from achieving its business objectives. Norwest intends to conduct itself, and manage any joint venturers so that their activities are conducted in an environmentally responsible manner and in accordance with all applicable laws. Despite this, Norwest may still be subject to accidents or other unforeseen events which may compromise its environmental performance and which may have adverse financial implications.

(k) **Future capital requirements**

At the date of this Notice, Norwest has no income producing assets and will generate losses for the foreseeable future.

Accordingly, Norwest expects to raise additional funds for working capital and in order to finance its projected capital expenditure at its projects, potentially by raising debt and/or equity. However, if these funding alternatives do not eventuate or are insufficient, Norwest may need to raise additional equity. Any additional equity financing may be dilutive to Norwest shareholders, and debt financing (including lease financing of equipment), if available, may involve restrictions on financing and operating activities.

While there is an expectation that it will be able to do so, there is no assurance that Norwest will be able to obtain or access additional funding when required, or that the terms associated with that funding will be acceptable to Norwest.

Norwest's failure to raise capital if and when needed could delay or suspend Norwest's business strategy and could have a material adverse effect on Norwest's activities, financial condition and its ability to continue as a going concern or its ability to pay its debts as and when they fall due. Also, no guarantee or assurance can be given as to whether Norwest's projects can be developed to the stage where it will generate positive cashflow or the timing of this development.

(l) **Potential acquisitions**

As part of its business strategy, Norwest may make acquisitions of, or significant investments, in companies, products, technologies or resource projects. Any such future transactions would be accompanied by the risks commonly encountered in making acquisitions of companies, products, technologies or resource projects.

(m) **Risk of adverse publicity**

The projects which Norwest aims to develop involves exploration and ore processing within the relevant local communities. Any failure to adequately manage community expectations with respect to compensation for land access, artisanal mining activity, employment opportunities, impact on local business and any other expectations may lead to local dissatisfaction. The political and social pressures resulting from local dissatisfaction and adverse publicity could lead to delays in approval of, and increased expenses in Norwest's proposed exploration programme.

(n) **Reliance on key personnel**

Norwest's future depends, in part, on its ability to attract and retain key personnel. It may not be able to hire and retain such personnel at compensation levels consistent with its existing compensation and salary structure. Its future also depends on the continued contributions of its executive management team and other key management and technical personnel, the loss of whose services would be difficult to replace. In addition, the inability to continue to attract appropriately qualified personnel could have a material adverse effect on Norwest's business.

(o) **Insurance and uninsured risks**

Norwest, where economically feasible, may insure its operations in accordance with industry practice. However, even if insurance is taken out, in certain circumstances Norwest's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered, or fully covered, by insurance could have a material adverse effect on the business, financial condition and results of Norwest. Insurance of all risks associated with mineral exploration and production is not always available and, where available, the costs can be prohibitive.

(p) **Fluctuations in commodity prices and exchange rate risks**

The price of gold, copper and other minerals fluctuates widely and is affected by numerous factors beyond the control of Norwest, such as industrial and retail supply and demand, exchange rates, inflation rates, changes in global economies, confidence in the global monetary system, forward sales of metals by producers and speculators, as well as other global or regional political, social or economic events. Future serious price declines in the market value of gold or copper could cause the continued development of, and eventually the commercial production from, the Norwest Projects and Norwest's other properties to be rendered uneconomic. Depending on the price of gold or copper, Norwest could be forced to discontinue production or development and may lose its interest in, or may be forced to sell, some of its properties. There is no assurance that, even as commercial quantities of gold or copper is produced, a profitable market will exist for it.

In addition to adversely affecting the reserve estimates of Norwest and its financial condition, declining commodity prices can impact operations by requiring a reassessment of the feasibility of a particular project. Such a reassessment may be the result of a management decision or may be required under financing arrangements related to a particular project. Even if a project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed.

Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of Norwest in its Australian operations are and will be taken into account in Australian currency, exposing Norwest to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

(a) **Inherent mining risks**

Norwest's business operations are subject to risks and hazards inherent in the mining industry. The exploration for and the development of mineral deposits involves significant risks, including: environmental hazards; industrial accidents; metallurgical and other processing problems; unusual or unexpected rock formations; structure cave-in or slides; flooding; fires and interruption due to inclement or hazardous weather conditions. These risks could result in damage to, or destruction of, mineral properties, production facilities or other properties, personal injury or death, environmental damage, delays in mining, increased production costs, monetary losses and possible legal liability.

Whether income will result from projects undergoing exploration and development programs depends on the successful establishment of mining operations. Factors including costs, actual mineralisation, consistency and reliability of ore grades and commodity prices affect successful project development.

1.3 General risks

(a) **Economic**

General economic conditions, introduction of tax reform, new legislation, movements in interest rates, inflation and currency exchange rates may have an adverse effect on Norwest's exploration, development and production activities, as well as on its ability to fund those activities.

the strategic direction of Norwest may affect Norwest's financial performance.

(b) **Competition risk**

The industry in which Norwest will be involved is subject to global competition. While Norwest will undertake all reasonable due diligence in its business decisions and operations, Norwest will have no influence or control over the activities or actions of its competitors, whose activities or actions may, positively or negatively, affect the operating and financial performance of its projects and its business.

(c) **Market risk**

Share market conditions may affect the value of Norwest's quoted Securities regardless of Norwest's operating performance. Share market conditions are affected by many factors, such as:

- (i) general economic outlook;
- (ii) interest rates and inflation rates;
- (iii) currency fluctuations;
- (iv) commodity price fluctuations;
- (v) changes in investor sentiment toward particular market sectors;
- (vi) the demand for, and supply of, capital; and
- (vii) terrorism and other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general. Neither Norwest nor the Norwest directors warrant the future performance of Norwest or any return on an investment in Norwest.

(d) **Investment speculative**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by Norwest or by investors in Norwest. The above factors, and others not specifically referred to above, may in the future, materially affect the financial performance of Norwest.

Therefore, the Norwest Shares to be distributed carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Norwest Shares.

Potential investors should consider that the investment in Norwest is highly speculative and should consult their professional advisers before deciding whether to vote on the Equal Capital Reduction.