

# **NORWEST MINERALS LIMITED**

ABN: 72 622 979 275

## **ENTITLEMENT OFFER**

**\$3.14m non-renounceable 1 for 3 partly underwritten Entitlement Offer  
of approximately 20,960,000 New Shares at an issue price of \$0.15 per New Share**

**CLOSING DATE: 5.00 PM AWST ON 25 September 2019**

This Letter of Offer is an important document which is accompanied by an Entitlement and Acceptance Form and both should be read in their entirety. This Letter of Offer requires your immediate attention and if you are in any doubt about its contents or the course of action you should take, please contact your professional adviser.

The Letter of Offer is provided for information purposes and is not a prospectus or other disclosure document for the purposes of the Corporations Act. Accordingly, this Letter of Offer does not necessarily contain all of the information which a prospective investor may require to make an investment decision and it does not contain all of the information which would otherwise be required to be disclosed in a prospectus or other disclosure document.

The New Shares offered under this Letter of Offer have not been registered under the US Securities Act and may not be offered, sold or delivered in the United States or to, or for the account or benefit of, any US Person, except pursuant to applicable exceptions from registration.

If you do not lodge an Entitlement and Acceptance Form together with payment by 5pm (Perth time) on 25 September 2019, you will not be issued New Shares in Norwest Minerals Limited.

**Important Information**

The Corporations Act allows listed companies to make a pro-rata entitlement offer of securities to existing Shareholders without a disclosure document in certain circumstances. The Offer to which this Letter of Offer relates complies with the requirements of section 708AA of the Corporations Act as modified by ASIC Class Orders 07/571 and 08/35. Accordingly, the Offer is made without disclosure under Part 6D.2 of the Corporations Act and this Letter of Offer is not required to be lodged or registered with ASIC. This Letter of Offer is provided for information purposes and is not, and does not purport to be, a prospectus or other disclosure document for the purposes of the Corporations Act. Accordingly, this Letter of Offer does not contain all of the information which would otherwise be required to be disclosed in a prospectus or other disclosure document, and does not necessarily contain all of the information which a prospective investor may require to make an investment decision.

This Letter of Offer is dated 28 August 2019. Neither ASIC nor ASX, nor any of their officers or employees takes responsibility for this Offer or the merits of the investment to which this Offer relates.

**Not investment advice**

You should read this Letter of Offer in its entirety and refer to the releases made by Norwest Minerals Limited (NWM or the Company) to ASX before deciding whether to apply for New Shares. In particular, you should consider the risk factors outlined in Section 6 and consider these risk factors in light of your personal circumstances, including financial and taxation issues. The information provided in this Letter of Offer is not financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. NWM is not licensed to provide financial product advice in respect of the New Shares. You should conduct your own independent review, investigation and analysis of the New Shares which are the subject of the Offer. If you are in any doubt as to how to deal with this Offer or have any questions, you should contact your professional adviser without delay. You should obtain any professional advice you require to evaluate the merits and risks of an investment in NWM before making any investment decision.

**Overseas Shareholders**

This Letter of Offer does not, and is not intended to, constitute an offer, invitation or issue in any place in which, or to any person to whom, it would be unlawful to make such an offer,

invitation or issue. This Letter of Offer has not been, nor will it be, lodged, filed or registered with any regulatory authority under the securities laws of any country. In particular, the New Shares have not been and will not be, registered under the US Securities Act and may not be offered, sold or delivered within the US or to or for the account or benefit of any US Person, except pursuant to applicable exceptions from registration. In addition, hedging transactions with respect to the New Shares may not be conducted unless in accordance with the US Securities Act.

The distribution of this Letter of Offer and the accompanying Entitlement and Acceptance Form outside of Australia or New Zealand may be restricted by law and persons who come into possession of this Letter of Offer and the accompanying Entitlement and Acceptance Form should seek advice on and observe those restrictions. Any failure to comply with those restrictions may constitute a violation of applicable securities laws.

Return of a duly completed Entitlement and Acceptance Form will be taken by NWM to constitute a representation that there has been no breach of laws in connection with your ability to participate in the Offer.

**No Entitlement trading**

Entitlements are non-renounceable and will not be tradeable on ASX or be otherwise transferable. In addition, you cannot, in most circumstances, withdraw your application for New Shares once it has been lodged.

**No representations other than as set out in this Letter of Offer**

No person is authorised to give any information or make any representation in connection with the Offer other than as contained in this Letter of Offer. Any information or representation in connection with the Offer not contained in this Letter of Offer is not, and may not be relied upon as having been authorised by NWM or any of its officers.

**Defined terms**

Defined terms and abbreviations used in this Letter of Offer are explained in Section 8.

## MESSAGE FROM THE CHAIRMAN

27 August 2019

Dear Shareholder,

This document is a Letter of Offer inviting you to participate in an Entitlement Offer by Norwest Minerals Limited (“NWM”). The Entitlement Offer offers you the right to take up 1 New Share for each 3 Shares you currently hold. The price of the New Shares is \$0.15 per New Share and your entitlement calculation is set out on the attached Entitlement and Acceptance Form.

Myself and the CEO Charles Schaus will partly underwrite the issue to \$150,000 but will not charge any underwriting or other fees for doing so. Further details of this are set out below. We have also received confirmation from our major shareholders that they will take up their full or partial entitlement to a value of approximately \$2.162 million.

Shareholders also have the opportunity to apply for New Shares in addition to their Entitlements at the Issue Price. In the event that Eligible Shareholders do not take up their Entitlements in full, the Directors in conjunction with the Underwriters reserve the right to issue the Shortfall at their sole and absolute discretion to subscribers for Additional Shares or the Underwriters. In the event that there are applications for additional shares in excess of the Shortfall, the directors intend to issue additional shares to Eligible Shareholders with holdings of 50,000 Shares or less in preference to other Eligible Shareholders.

The Directors also reserve the right to place any Shortfall in excess of the Underwriters’ commitment within 3 months of the date of this Letter of Offer.

I encourage you to carefully read this letter and the accompanying Entitlement and Acceptance Form in full prior to making any decision about whether or not to invest, and to seek professional advice if you think it appropriate to do so.

As set out in our announcement to ASX dated 28 August 2019, the purpose of the capital raising is to fund activities concerning our Arunta West IOCG Project and Bulgera Gold Project. You should read previous announcement for full details of these projects, however in summary:

### **Arunta West**

Located in Western Australia, 600kms west of Alice Springs near the WA/NT boarder. Project area of 1,700km<sup>2</sup> with major geophysical & geologic features typical of those hosting iron-oxide-copper-gold (IOCG) mineralisation systems.

#### *Features*

- 4km x 8km coincident magnetic/gravity anomaly
- Key geological features typical of IOCG deposits
- Hematite altered granites, trace chalcopyrite in core
- Basement near surface will allow RC drill testing

#### *Next Steps*

- 80 RC holes, 12,000m, 2 rigs -Sept 19
- Target hematite altered breccia zone
- Increase Arunta JV share from 51% to 80%

## **Bulgera Gold Project**

The Bulgera Gold Project is 200kms north of Meekatharra near the Plutonic Gold operation and within 10kms of Norwest's Marymia project tenements.

### *Features*

- Historical mining (441,000 tonnes grading 1.65g/t Au) completed 2004 at A\$ 570 per ounce.
- Significant remnant gold adjacent to and below open cuts having strong extension potential
- Quality database with 2004 resource models having short term JORC upgrade potential

### *Next steps*

- Resource model validation via remodelling historical drilling to JORC 2012 standard
- Drill planning from extensive Bulgera database
- Resource drilling to extend multi-gold lodes below shallow open cuts
- Fast-track to toll treatment or sale

You should read recent announcements and subsequent announcements in full, as well as this document, prior to making any investment decision.

The Board recommends this offer to you. Directors who are shareholders directly or indirectly will take up their full entitlement.

Yours sincerely,

Michael D Tilley  
Chairman

## KEY DATES

| Activity   | Date              |
|--|-------------------|
| Entitlement offer Announced, Letter of Offer lodged with ASIC              | 28 August 2019    |
| ASX Appendix 3B lodged with ASX  | 28 August 2019    |
| Letter sent to option holders  | 28 August 2019    |
| Notice of Issue sent to eligible shareholders                              | 29 August 2019    |
| Ex rights Date   | 30 August 2019    |
| Record Date to determine Entitlements under the Rights Issue               | 2 September 2019  |
| Letter of Offer and Entitlement and Acceptance Form despatched—Offer opens | 5 September 2019  |
| Closing Date for acceptances   | 25 September 2019 |
| Notification of shortfall to ASX and Underwriter                           | 30 September 2019 |
| Allotment and issue of New Shares  | 2 October 2019    |
| Quotation of New Shares  | 3 October 2019    |
| Despatch of holding statements for New Shares                              | 5 October 2019    |

These dates are subject to change and are indicative only. NWM in conjunction with the Underwriters reserves the right to amend this timetable including, subject to the Corporations Act and the Listing Rules, to extend the Closing Date.

## SECTION 1. KEY INFORMATION

The information set out in this section is not intended to be comprehensive and should be read in conjunction with the full text of this Letter of Offer.

### 1.1 Offer

This Letter of Offer contains an Offer of New Shares under a non-renounceable Entitlement Offer. Under the Offer, Eligible Shareholders are entitled to subscribe for 1 New Share for every 3 Shares held as at the Record Date, at an issue price of \$0.15 each. Your entitlement is set out in the Entitlement and Acceptance Form.

The issue price is a 28.6% discount to the closing price of Shares on 26 August 2019. Since listing on ASX, Shares have traded in a range of \$0.15 - \$0.265.

The Closing Date and time for acceptances and payments is 5.00pm AWST on 25 September 2019. Only recipients of a personalised Entitlement and Acceptance Form can participate in the Offer.

You may also apply for Additional Shares as set out on the Entitlement and Acceptance Form. Additional Shares will be allotted from any Shortfall at the sole and absolute discretion of the Directors, subject to the terms of the Underwriting Agreement. In the event that there are applications for additional shares in excess of the Shortfall, the directors intend to issue additional shares to Eligible Shareholders with holdings of 50,000 Shares or less in preference to other Eligible Shareholders. Remaining Additional Shares may be pro-rated amongst other Eligible Shareholders, or not allotted at all. You may therefore receive all, some or none of the Additional Shares for which you apply.

The Directors also reserve the right to place any Shortfall not taken up by the Underwriters within 3 months of the date of this Letter of Offer.

Further details of the Offer are set out in full in Section 2.

## **1.2 What you need to do**

The number of New Shares to which you are entitled is shown on the accompanying Entitlement and Acceptance Form. You can subscribe for all, or part, of the Entitlement to New Shares specified in the Entitlement and Acceptance Form. If you accept your Entitlement in full you may also apply for Additional New Shares over and above your Entitlement. See Section 3 for detailed instructions on what you need to do.

## **1.3 Purposes of the Offer and use of proceeds**

The key purpose of the Offer is to fund the Company's activities under the Arunta West IOCG Project and the Bulgera Gold Project. There is no minimum amount to be subscribed for and if less than \$3.144 million is raised the Directors may scale back proposed use of funds.

The purposes of the Offer are discussed more fully in Section 4.

## **1.4 Effects of the Offer on the capital of NWM**

There are 60,880,000 Shares on issue as at the date of this Letter of Offer. After the issue of approximately 20,960,000 New Shares under the Offer there will be up to approximately 83,840,000 Shares on issue.

A more detailed description of the effects of the Offer is contained in Section 4.

## **1.5 Financial impact of the Offer**

A summary of the financial impact on the Company of the Offer is contained in Section 5.

## **1.6 Risk factors**

An investment in NWM involves general risks associated with an investment in the share market. The price of New Shares may rise or fall.

There are also a number of risk factors, both specific to NWM and of a general nature, which may affect the future operating and financial performance of NWM and the value of an investment in it. There is a limited discussion of risk in Section 6. Before deciding to invest in NWM, prospective investors should consider all risk factors carefully.

## **1.7 Underwriting**

The Underwriters have partly underwritten the Offer. One of the Underwriters is a related party. Further details of the Underwriting Agreement are set out in section 7.3.

# **SECTION 2. DETAILS OF THE OFFER**

## **2.1 The Offer**

NWM is making a non-renounceable Entitlement Offer offering Eligible Shareholders 1 New Share for every 3 Shares held at the Record Date. The issue price of \$0.15 per New Share is payable in full on application.

The number of New Shares to which you are entitled is shown on the accompanying Entitlement and Acceptance Form. Fractional entitlements have been rounded up to the nearest whole New Share, and the amount payable has been rounded up to the nearest whole cent. Eligible Shareholders may accept their Entitlement, in whole or in part, by making payment via BPAY using the details on their Entitlement and Acceptance Form, or by completing their Entitlement and Acceptance Form and sending it to the Share Registry at the address on the back of the Entitlement and Acceptance Form together with payment by cheque, money order or bank draft so that it is received prior to the Closing Date.

You may also apply for Additional Shares as set out on the Entitlement and Acceptance Form.

Additional Shares will be allotted from any Shortfall at the sole and absolute discretion of the Directors in conjunction with the Underwriters. In the event that there are applications for additional shares in excess of the Shortfall, the directors intend to issue additional shares to Eligible Shareholders with holdings of less than 50,000 Shares in preference to other Eligible Shareholders.

The Directors also reserve the right to place any Shortfall in excess of the Underwriters' commitment within 3 months of the date of this Letter of Offer.

The Offer will open for receipt of acceptances on 5 September 2019.

The Closing Date and time for acceptances and payments is 5.00pm AWST 25 September 2019, subject to the Directors in conjunction with the Underwriters varying the Closing Date in accordance with the Corporations Act and Listing Rules.

## **2.2 Who is entitled to participate in the Offer**

Every Eligible Shareholder who is registered as the holder of Shares at 5.00pm AWST on the Record Date is entitled to participate in the Offer.

## **2.3 Renounceability**

This Offer is non-renounceable. This means that your Right to subscribe for New Shares under this Letter of Offer is not transferable. Any Rights not taken up by an Eligible Shareholder may revert to the Underwriter, be placed by the Company or lapse.

## **2.4 Issue of New Shares**

NWM expects that the New Shares will be issued by no later than 2 October 2019 and holding statements will also be despatched on 5 October 2019.

Issues of New Shares under this Letter of Offer will only be made after permission for their quotation on ASX has been granted.

## **2.5 Refund of subscription monies**

Subscription money will be held in a subscription trust account until the New Shares are issued. This account will be established and kept by NWM on behalf of each Eligible Shareholder.

## **2.6 Excluded Shareholders**

NWM has decided that it is unreasonable to make the Offer to Shareholders who are not Eligible Shareholders (**Excluded Shareholders**), having regard to the number of Shareholders in such places, and the substantial costs of complying with the legal and regulatory requirements in all of those jurisdictions. This Letter of Offer and any accompanying Entitlement and Acceptance Form do not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. Eligible Shareholders holding Shares on behalf of Excluded Shareholders are responsible for ensuring that subscribing for the New Shares under the Entitlement Offer does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Entitlement and Acceptance Form will constitute a representation that there has been no breach of such regulations. Where the Letter of Offer has been dispatched to Excluded Shareholders, and where that country's Applicable Securities Law prohibits or restricts in any way, the making of the offers contemplated by the Letter of Offer, the Letter of Offer and the accompanying Entitlement and Acceptance Form are provided for information purposes only.

In particular, for holders in New Zealand, Singapore and Malaysia, this document is not a prospectus, has not been lodged with any Regulatory Authority and is not approved or recognised by any Regulatory Authority. It does not constitute an offer to the public and may not be used as such. New Shares are issued to you on the basis that you are an existing Shareholder of the Company and are able to receive and accept the Offer without contravening any Applicable Securities Law. Completion of an Entitlement and Acceptance Form by you is a representation to the Company that this is the case. You

may be prohibited from on-selling the New Shares issued to you and you should take advice on these issues before accepting the Offer.

### **SECTION 3. WHAT YOU NEED TO DO**

If you have any questions about your Entitlement to New Shares, please contact:

- Automic Group  
GPO Box 5193  
Sydney NSW 2001.
- Automic Investor Services Number 1300 288 664 (within Australia) +61 2 9698 5414 (international)
- Your stockbroker or professional adviser

#### **3.1 How to take up all or part of your Entitlement**

To subscribe for New Shares offered to you, complete the accompanying Entitlement and Acceptance Form according to the instructions on the form for all or that part of your Entitlement that you wish to accept. If you apply to accept your Entitlement in full you may also apply for Additional New Shares over and above their Entitlement.

You can either pay the subscription amount, including subscriptions for Additional New Shares, by BPAY using the details set out on your personalised Entitlement and Acceptance Form, or send the completed form, together with a cheque, bank draft or money order in payment for all the New Shares which you wish to subscribe for, to reach NWM's Share Registry, Automic Group Pty Ltd, in the reply paid envelope, no later than 5.00pm AWST on 25 September 2019. Acceptances will not be accepted by the Company if they are received after the Closing Date.

#### **3.2 Lapse of Rights**

If you decide not to accept all or part of your Entitlement to New Shares, or fail to do so by the Closing Date, your Rights will lapse with no benefit to you. Any Shortfall may be taken up by the Underwriters or placed by the Directors within three months of the Closing Date.

#### **3.3 Payment**

Entitlement and Acceptance Forms must be accompanied by payment in full. Payments must be made by 5.00pm AWST on 25 September 2019. Payments will only be accepted in Australian currency and as follows:

- BPAY using the BPAY biller code and customer reference number set out on your personalised Entitlement and Acceptance Form;
- cheque drawn on and payable at any Australian bank;
- bank draft drawn on and payable at any Australian bank ; or
- money order.

Payment can be made using BPAY in accordance with the instructions for BPAY set out in your Entitlement and Acceptance Form using the biller code and unique reference number on the form. If you pay by BPAY you do not need to complete and return your personalised Entitlement and Acceptance Form.

If you require further information in relation to using BPAY please contact your bank, credit union or building society. If you are applying for New Shares and your payment is being made by BPAY you do not need to return your Entitlement and Acceptance Form. Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment, and should



therefore take this into consideration when making payment. It is the responsibility of the applicant to ensure that funds submitted through BPAY are received by this time.

Cheques, bank drafts or money orders should be completed as described in the Entitlement and Acceptance Form. Cash payments will not be accepted.

## SECTION 4. PURPOSE AND EFFECTS OF THE OFFER

### 4.1 Purposes of the Offer and use of proceeds

The key purposes of the Offer are to fund the Company's activities concerning its Arunta West IOCG Project and Bulgera Gold Project.

An estimate of use of the capital raising funds is as follows:

| Action  | Amount*            |
|---|--------------------|
| ARUNTA WEST – NORTH RC DRILLING - all exploration related costs including, holding, land access, plus administration  | \$2,000,000        |
| BULGERA GOLD - RESOURCE MODELLING OF HISTORICAL DATA WITH FOLLOW UP RC DRILLING - all exploration related costs including, holding, land access plus administration | \$690,000          |
| BULGERA GOLD PROJECT DRILLING - RC and aircore exploration drilling of prospective targets away from historical mining  | \$430,000          |
| Costs of the offer  | \$24,000           |
| <b>Total</b>  | <b>\$3,144,000</b> |

*\*Amounts are necessarily estimates only and may vary. There is no minimum amount to be raised under the Offer. The Company may also use funds raised for other purposes should economic circumstances or business conditions vary.*

You should read the announcements made to ASX by the Company concerning its operations and this Letter of Offer in full before making any investment decision.

### 4.2 Capital structure

This table shows the number of issued New Shares at the date of the Offer and the potential total number of issued Shares at the close of the Offer.

| <b>Ordinary New Shares</b>                         | <b>Number</b> |
|--|---------------|
| Issued Shares at the date of the Letter of Offer # | 62,880,000    |
| New Shares offered under this Letter of Offer *    | 20,960,000    |
| Total maximum issued Shares on close of the Offer  | 83,840,000    |

*# This figure include all shares, including those held by Excluded Shareholders*

*\* This figure, and the total number of issued Shares on the close of the Offer are necessarily approximate as the number of Shares issued will depend on the number of eligible Applications and individual Shareholdings will be rounded up when calculating entitlements.*

The above table assumes no Options are exercised to participate in the Offer. There are currently:

- 2,384,500 Series 1 \$0.20 Call Options expiring 7 September 2023
- 2,384,500 Series 2 \$0.25 Call Options expiring 7 September 2023

### 4.3 Effect of the Offer on the Control of NWM

It is not possible to predict with accuracy the full impact of the Offer on the control of NWM. There are various possible outcomes that may arise and these, in large part, will depend on the extent to which Eligible Shareholders take up their entitlements under the Offer and apply for Additional Shares, and the ability of the Directors to place Shortfall Shares.

NWM has obtained a commitment from its largest shareholders other than Australian Mines Limited (AUZ) to take up their entitlement in full, being \$1.712 million. AUZ has committed to take up 50% of its entitlement, being \$450,000. A further \$150,000 has been underwritten by the Underwriters. This means that:

- At least \$2.312 million will be raised under the Offer, and approximately 15.416 million New Shares will be issued;
- AUZ's interest, as the Company's largest Shareholder, holding approximately 28.6% of the issued Shares, will be diluted;
- The interests of other major Shareholders will stay the same;
- There will be no change of control of the Company.

If the Underwriters are able to take up the full Underwriting commitment of \$150,000, the impact on their respective Shareholdings in the Company will be as follows:

| Name             | Current securities holding  | Underwriting commitment | Total maximum expanded holding *  |
|------------------|---|-------------------------|---|
| Michael D Tilley | <ul style="list-style-type: none"> <li>• 50,000 Shares</li> <li>• 437,000 options exercisable at \$0.20</li> <li>• 437,000 options exercisable at \$0.25</li> </ul>     | \$100,000               | <ul style="list-style-type: none"> <li>• 716,667 Shares</li> <li>• 437,000 options exercisable at \$0.20</li> <li>• 437,000 options exercisable at \$0.25</li> </ul>      |
| Charles Schaus   | <ul style="list-style-type: none"> <li>• 10,000 Shares</li> <li>• 1,010,000 Options exercisable at \$0.20</li> <li>• 1,010,000 Options exercisable at \$0.25</li> </ul> | \$50,000                | <ul style="list-style-type: none"> <li>• 343,3333 Shares</li> <li>• 1,010,000 Options exercisable at \$0.20</li> <li>• 1,010,000 Options exercisable at \$0.25</li> </ul> |

\* assuming total underwriting commitment is taken up

NWM investigated underwriting by third party underwriters however following confirmations from major shareholders concerning likely take up it was determined that the costs associated with an underwriting were high given the likely available shortfall. Third party underwriters were unwilling to charge a fee restricted only to the likely shortfall. The Underwriters however were willing to underwrite with no fee, and the underwriting gives the Company certainty of raising a significant total amount under the Offer.

If all other Eligible Shareholders take up their full entitlements, then each Eligible Shareholder's percentage ownership interest (and voting power) in NWM will increase slightly (given the number of Shares held by ineligible Shareholders).

If an Eligible Shareholder does not take up all of their entitlement, their percentage ownership interest (and voting power) in NWM will be diluted.

The proportional interests of Excluded Shareholders will be diluted because such Shareholders are not entitled to take up New Shares under the Offer.

## **SECTION 5. FINANCIAL INFORMATION**

### **5.1 Financial position**

NWM's cash reserves will increase by up to approximately \$3.144 million (before costs) following the Entitlement Offer, being the gross proceeds of the Entitlement Offer.

### **5.2 Tax considerations**

The Directors do not consider that it is appropriate to give Shareholders advice regarding the taxation consequences of subscribing for New Shares under this Letter of Offer.

The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Shareholders. As a result, Shareholders should consult their professional tax adviser in connection with subscribing for New Shares under this Letter of Offer.

## **SECTION 6. RISK FACTORS**

There are risks associated with investing in any form of business and with investing in the share market generally. There are also a range of specific risks that may materially affect the performance of NWM and the value of the New Shares. Many of these risks are outside the control of NWM and cannot be mitigated in any way, although prudent management may partly minimise some of these risks.

This section identifies the areas the Board regards as the major risks specific to an investment in NWM.

### **6.1 Mining and exploration**

Exploration and mining companies throughout the world are subject to the inherent risks of the minerals industry. The future viability and profitability of the Company as an exploration and mining company will depend on a number of factors, including but not limited to:

- Commodity prices and currency exchange rates are constantly changing;
- Risks inherent in exploration and mining include, among other things, successful exploration and identification of ore reserves, satisfactory performance of mining operations if a mineable deposit is discovered and competent management;
- Risks associated with obtaining the grant of any or all of the Company's mining tenements or permits which are applications, or renewal of tenements upon expiry of their current term, including the grant of subsequent titles where applied for over the same ground;
- Applications may also be subject to additional processes and requirements under the Native Title Act. 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;
- The risk of material adverse changes in the government policies or legislation of Australia affect the level and practicality of mining and exploration activities;
- Environmental management issues with which the Company may be required to comply from time to time;
- Poor access to exploration areas as a result of remoteness or difficult terrain;

- Poor weather conditions over a prolonged period which might adversely affect mining and exploration activities and the timing of earning revenues.

## 6.2 General risk

This section identifies the areas the Board regards as the general risks to any investment in securities:

- economic conditions in Australia and globally;
- investor sentiment in local and international share markets;
- changes in interest rates and the rate of inflation;
- changes to government regulation, policy or legislation;
- seasonal fluctuations in business;
- industrial disputes;
- share investment risk;
- liquidity and realisation risk;
- changes to accounting or financial reporting standards;
- political instability or war; and
- other economic and political risks.

NWM's future revenues and operating costs can be affected by all of the factors described above. Accordingly, the future profitability of NWM and price of any New Shares issued in relation to the Entitlement Offer may be affected by factors which are beyond the control of NWM.

The above list of risk factors is not exhaustive of the risks faced by NWM or by investors in NWM. Those risk factors, and others not specifically referred to above, may in the future materially affect the financial performance of NWM and the value of the New Shares.

Therefore, the New Shares to be issued under this Letter of Offer carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those New Shares.

## SECTION 7. ADDITIONAL INFORMATION

### 7.1 Privacy notification

By accepting the Offer, each Eligible Shareholder acknowledges that they have received and read this Letter of Offer.

As a Shareholder, NWM and the Share Registry have already collected certain personal information from you. If you apply for New Shares, NWM and the Share Registry may update that personal information or collect additional personal information. Such information will be used to assess your acceptance of New Shares, service your needs as a Shareholder, provide facilities and services that you request and carry out appropriate administration. By accepting the Offer, you agree that NWM and the Share Registry may disclose your personal information for purposes related to your Shareholding to its agents, contractors and service providers including those listed below or as otherwise authorised under the Privacy Act:

- the Underwriter in order to assess your acceptance of New Shares;
- the Share Registry for ongoing administration of the register;
- printers and mailing houses for the purposes of preparation and distribution of Shareholder statements and for handling of mail; and
- ASX and other regulatory authorities.

The Corporations Act requires NWM to include information about each Shareholder (including name, address and details of the Shares held) in its public register. The information contained in NWM's

public register is also used to facilitate payments and corporate communications (including NWM's financial results, annual reports and other information that NWM wishes to communicate to its security holders) and compliance by NWM with legal and regulatory requirements.

If you are paying by cheque, bank draft or money order and do not provide the information required on the Entitlement and Acceptance Form, NWM may not be able to accept or process your Form.

Under the Privacy Act, you may request access to your personal information held by (or on behalf of) NWM and the Share Registry. You can request access to your personal information by contacting NWM through the Share Registry as follows:

Automic Group  
GPO Box 5193,  
Sydney NSW 2001.

Investor Services Number 1300 288 664 (within Australia) +61 2 9698 5414 (international).

A fee may be charged for access to your personal information.

## **7.2 Costs of the Offer**

The total estimated costs of the Offer, including processing fees, legal fees, fees for other advisers, Letter of Offer design, printing, postage and other miscellaneous expenses, will be approximately \$24,000.

## **7.3 Underwriting Agreement**

The Company has entered into the Underwriting Agreement to underwrite the Offer. The main terms of the Underwriting Agreement are as follows:

- The Underwriters will underwrite the Offer up to \$150,000;
- There are no Unwriting or other fees payable to the Underwriters;
- The Underwriter has the right to New Shares that are not subscribed for under the Offer, either as Entitlement Shares or additional shares. Additional Shares may be applied for by Eligible Shareholders above their Entitlement;
- The underwriter can terminate the Underwriting Agreement on the occurrence of a number of specified events usual to this type of agreement.

The Underwriting Agreement contains other terms imposing obligations on the Company which are usual for this type of agreement.

The Underwriters are Mr Michael D Tilley, Chairman and Director, and Mr Charles Schaus, Chief Executive Officer of the Company. The Underwriters who are related parties would usually require permission of Shareholders before Shares are issued to them, however they can take New Shares as Underwriters of a Rights Issue under ASX Listing Rule 10.12 Exception 2. Their current interest in the Company's securities is set out in section 4.3.

## **SECTION 8. DEFINED TERMS**

**Additional Shares** means additional shares that Eligible Shareholders may apply for above their entitlement, as set out in the Entitlement and Acceptance form.

**Applicable Securities Law** means any laws, statutes, securities code or legislation in force in a particular jurisdiction.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means the Australian Securities Exchange Limited.

**NWM** or **Company** means Norwest Minerals Limited ACN 073 914 191.

**Board** means the board of Directors.

**Closing Date** means the last date for accepting an offer for New Shares, being 5.00pm AWST on 25 September 2019.

**Corporations Act** means the *Corporations Act 2001 (Cth)*.

**Directors** means the directors of NWM.

**Eligible Shareholders** means all Shareholders with registered addresses in Australia, New Zealand, Malaysia, Singapore or other jurisdictions where holders are eligible under all securities law to receive the Offer and

**Eligible Shareholder** means any one of those Shareholders.

**Entitlement** means the entitlement to subscribe for New Shares offered to a holder of Rights.

**Entitlement and Acceptance Form** means the form accompanying this Letter of Offer, which is particularised for the relevant Eligible Shareholder.

**Excluded Shareholder** means a Shareholder who is not an Eligible Shareholder.

**Letter of Offer** means this letter under which the Offer is being made.

**Listing Rules** means the official listing rules of ASX.

**New Share** means a Share to be issued pursuant to this Letter of Offer.

**Offer** means the offer made under this Letter of Offer of 1 New Share for every 3 Shares held by an Eligible Shareholder on the Record Date.

**Record Date** means 7.00pm AWST on 2 September 2019.

**Regulatory Authority** means any governmental authority regulating securities and corporate law in a particular jurisdiction.

**Right** means the right to subscribe for 1 New Share for every 3 Shares held by an Eligible Shareholder on the Record Date and **Rights** has a corresponding meaning.

**Share** means a fully paid ordinary Share in the capital of NWM and **Shares** has a corresponding meaning.

**Shareholders** means the registered holders of Shares as at the Record Date.

**Share Registry** means Automic Group Pty Ltd.

**Shortfall** means any shortfall in shares under the Offer once all valid applications from Eligible Shareholders have been received.

**Underwriter** or **Underwriters** means Michael D Tilley and Charles Schaus.

**Underwriting Agreement** means the agreement to underwrite the offer between the Company and the Underwriter dated 27 August 2019.