

ASX RELEASE

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Sale of Blue Spec Shear Gold-Antimony Project

Northwest Resources Limited (ASX: NWR, “Northwest” or the “Company”) advises that the Company has entered into an agreement to sell its Blue Spec Shear Gold-Antimony Project to Beatons Creek Gold Pty Ltd, a subsidiary of Novo Resources Corp (Novo), a TSX Venture Exchange listed exploration company.

The sale is the culmination of an 18 month process to secure a development partner or purchaser for the project. The directors consider the sale represents the best outcome achievable in view of the current market conditions.

Key terms

Completion of the sale is conditional on Australian Foreign Investment Review Board approval, Canadian TSX Venture Exchange (TSXV) approval, Northwest shareholder approval and obtaining other third party consents and ministerial approval as may be required.

The purchase price for the project is A\$650,000 comprising cash of A\$250,000 on completion, A\$100,000 two months after completion and A\$300,000 in TSXV-listed shares of Novo. The issue price of the consideration shares will be calculated at a 5% discount to the Novo share VWAP over five days prior to the date of the agreement. The consideration shares will be escrowed under Canadian securities law for a period of 4 months following completion.

Financial effect of the sale on the Company

The project assets comprise mining tenements, plant & equipment and mining information. As a result of the sale, the Company will be in a position to meet its current liabilities and will have no material assets other than cash, the consideration shares and its ownership of subsidiaries. The Company will have no annual exploration expenditure.

Shareholder approval

The sale of the project involves a disposal of Northwest’s main undertaking and accordingly requires ordinary shareholder approval under the Company’s constitution and the ASX Listing Rules. The Company proposes to seek shareholder approval as required at a meeting of shareholders to be convened as soon as practicable.

For further information, please contact:

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