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Royal Exchange NSW 1223
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16 July 2012

Australian Securities Exchange
Exchange Centre
20 Bridge Street
Sydney NSW 2000

By facsimile: 1300 135 638

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& Africa**

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Dear Sir/Madam,

**Northwest Resources Limited (NWR)
Notice of initial substantial holder**

Please find attached a notice of initial substantial holder dated 13 July 2012 delivered to Northwest Resources Limited today by Gloucester Nominees Limited, Albert Street Nominees Pty Limited and John Lindsay Merity.

Yours faithfully,
Baker & McKenzie

David Holland
Partner
+61 2 8922 5535
david.holland@bakermckenzie.com

Encl

Latin America

Bogota
Brasilia*
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North America

Chicago
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Houston
Miami
New York
Palo Alto
San Francisco
Toronto
Washington, DC

*Associated firm

Form 603

Corporations Act 2001 ("Act")
Section 671B

Notice of initial substantial holder

To Company Name/Scheme NORTHWEST RESOURCES LIMITED (Company)

ACN/ARSN 107 337 379

1. Details of substantial holder (1)

Name John Lindsay Merity (Merity)
Gloucester Nominees Limited (Belize company number 109,559) (Gloucester)
Albert Street Nominees Pty Limited (ACN 151 656 763) (Albert Street)

ACN (if applicable) As above

The holder became a substantial holder on 13 / 7 / 2012

2. Details of voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Person's votes (5)	Voting power (6)
Ordinary shares	47,940,776	47,940,776	27.24%

3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
Gloucester Nominees Limited	Registered holder and beneficial owner of the securities.	45,000,000 ordinary shares
Albert Street Nominees Pty Limited	Registered holder of the securities.	2,940,776 ordinary shares
John Lindsay Merity	Holds irrevocable proxy in respect of securities held by Gloucester, pursuant to irrevocable proxy deed dated 11/7/2012 (see Annexure A of 8 pages) (<i>Proxy Deed</i>). Beneficial owner of all shares in Gloucester pursuant to trust deed dated 22 September 2011 between Merity and Gloucester's sole shareholder, Pallard Inc. (see Annexure B of 3 pages). Sole director and sole shareholder of Albert Street and beneficial owner of securities held by Albert Street, pursuant to declaration of trust dated 26 June 2011 (see Annexure C of 3 pages) (<i>Declaration of Trust</i>).	47,940,776 ordinary shares

4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities
Gloucester Nominees Limited John Lindsay Merity	Gloucester Nominees Limited	N/A	45,000,000 ordinary shares
Albert Street Nominees Pty Limited John Lindsay Merity	Albert Street Nominees Pty Limited	N/A	2,940,776 ordinary shares

5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration (9)		Class and number of securities
		Cash	Non-cash	
Gloucester Nominees Limited John Lindsay Merity	13/7/2012	Nil	35% of shares in Nullagine (JV) Holdings Limited (a BVI company), as described in the notice of meeting dated 28 May 2012 issued by the Company.	45,000,000 ordinary shares

6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
Gloucester Nominees Limited	Associate of Albert Street pursuant to section 12(2)(a)(iii) of the Act as both entities are controlled by Merity. Associate of Merity pursuant to section 12(2)(b) of the Act by virtue of the Proxy Deed.
Albert Street Nominees Pty Limited (ACN 151 656 763)	Associate of Gloucester as above. Associate of Merity pursuant to section 12(2)(b) of the Act by virtue of the Declaration of Trust.
John Lindsay Merity	Associate of Gloucester and Albert Street as above.

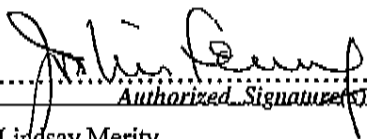
7. Addresses

The addresses of persons named in this form are as follows:

Name	Address
Gloucester Nominees Limited	Level 31, Chinachem Century Tower, 178 Gloucester Road, Hong Kong
Albert Street Nominees Pty Limited and John Lindsay Merity	3/22 Albert Street, Edgecliff, NSW 2027

Signature

print name ~~Justin Cheng~~ Justin Pallard Inc capacity Authorised signatory of Pallard Inc., which is sole director of Gloucester Nominees Limited

sign here  date 13 / 7 / 12

print name John Lindsay Merity capacity Sole director of Albert Street Nominees Pty Limited

sign here  date 13 / 7 / 12

print name John Lindsay Merity capacity Personal

sign here  date 13 / 7 / 12

Directions

1. If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
2. See the definition of "associate" in section 9 of the Corporations Act 2001.
3. See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
4. The voting shares of a company constitute one class unless divided into separate classes.
5. The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
6. The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
7. Include details of:
 - (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
8. If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown".
9. Details of the consideration must include any and all benefit, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.

Northwest Resources Limited (ACN 107 337 379)

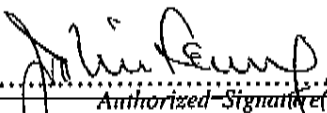
ANNEXURE A

Irrevocable Proxy Deed between Gloucester Nominees Limited and John Lindsay Merity

This is Annexure A of 8 pages referred to in Form 603 (*Notice of initial substantial holder*).

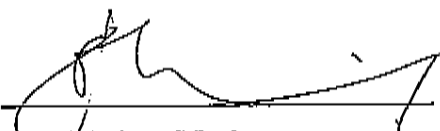
The attached document is a true copy of the original document.

Signed:
for and on behalf of
Pallard Inc


.....
Authorized Signatory(s)

Leung Cheung Sheung Justin
Authorised signatory of Pallard Inc., which is sole director of Gloucester Nominees Limited

Date: 13/7/12


.....

John Lindsay Merity
in his personal capacity and as sole director of Albert Street Nominees Pty Limited

Date: 13/7/12

Irrevocable Proxy

Between

Gloucester Nominees Limited
(Grantor)

And

John Lindsay Merity
(Grantee)

This deed

is made on *11th JULY* ~~June~~ 2012 between the following parties:



- 1 **Gloucester Nominees Limited**
(Company No. 109,559)
of 1 ½ Miles Northern Highway, Belize City, Belize
(Grantor)
- 2 **John Lindsay Merity**
of 3/22 Albert Street, Edgecliff, New South Wales, Australia
(Grantee)

Recitals

- A Grantor is the legal and beneficial owner of the Shares.
- B The Grantor has agreed to grant an irrevocable proxy in respect of the Shares to the Grantee on the terms and conditions set out in this deed.

The parties agree

that in consideration of, among other things, the mutual promises contained in this deed:

1 Definitions and interpretation

1.1 Definitions

In this deed:

ASX means Australian Securities Exchange Limited (ACN 008 624 691);

Business Day means a day on which banks are open for business in Sydney, Australia excluding a Saturday, Sunday or public holiday;

Company means Northwest Resources Limited (ACN 107 337 379);

Encumbrance means an interest or power:

- (a) reserved in or over an interest in any asset including but not limited to, any retention of title;
- (b) created or otherwise arising in or over any interest in any asset under a bill of sale, mortgage, charge, lien, pledge, trust or power,

by way of, or having similar commercial effect to, security for the payment of a debt, any other monetary obligation or the performance of any other obligation, and includes, but is not limited to, any agreement to grant or create any of the above; and

Shares means 45,000,000 fully paid ordinary issued shares in the capital of the Company registered in the name of the Grantor.

1.2 Interpretation

In this deed, headings are for convenience only and do not affect the interpretation of this deed and, unless the context otherwise requires:

- (a) words importing the singular include the plural and vice versa;
- (b) other parts of speech and grammatical forms of a word or phrase defined in this deed have a corresponding meaning;
- (c) an expression importing a natural person includes any company, partnership, joint venture, association, corporation or other body corporate and any government agency;
- (d) a reference to any thing (including, but not limited to, any right) includes a part of that thing but nothing in this clause 1.2(d) implies that performance of part of an obligation constitutes performance of the obligation;
- (e) a reference to a clause, party, annexure, exhibit or schedule is a reference to a clause of, and a party, annexure exhibit and schedule to, this deed;
- (f) a reference to a statute, regulation, proclamation, ordinance or by-law includes all statutes, regulations, proclamations, ordinances or by-laws amending, consolidating or replacing it, whether passed by the same or another government agency with legal power to do so, and a reference to a statute includes all regulations, proclamations, ordinances and by-laws issued under that statute;
- (g) a reference to a document includes an amendment or supplement to, or replacement or novation of, that document; and
- (h) a reference to a party to a document includes that party's successors and permitted assigns.

2 Irrevocable Proxy

With effect from the date of this deed, the Grantor grants to the Grantee an irrevocable proxy in respect of the Shares to do all or any of the following things and exercise the following rights that the Grantor could do or exercise in relation to the Shares:

- (a) exercise all voting rights in relation to the Shares at any meeting of the Company's shareholders or to pass any resolution of the Company's shareholders;
- (b) appoint a proxy or proxies to attend and vote in the manner directed by the grantee in relation to the Shares at any meeting of the Company's shareholders or to pass any resolution of the Company's shareholders; and
- (c) consent to the convening of general meetings of the Company by notice shorter than that otherwise required.

3 Acknowledgments and undertakings

3.1 Grantor acknowledgements

The Grantor acknowledges and agrees:

- (a) that in exercising the powers conferred on the Grantee as listed in clause 2, the Grantee is entitled to act in the interests of the Grantee; and

- (b) to do all such acts, matters and things that the Grantee may require to give effect to this clause (including the execution of a written form of proxy which complies in all respects with the constitution of the Company or the execution of a written form appointing a person nominated by the Grantee as the Grantor's representative pursuant to section 250D of the Corporations Act) if requested by the Grantee.

3.2 Grantor undertakings

The Grantor undertakes to the Grantee that it will:

- (a) not itself attend or vote at meetings of members of the Company in respect of the Shares nor take any action which would invalidate any appointment pursuant to this clause; and
- (b) forward any notices of meeting of the Company members received by the Grantor on or after the date of this deed to the Grantee within a reasonable time of receipt of such notices.

4 Representations and warranties

The Grantor represents and warrants that:

- (a) it has full power and authority to enter into and perform its obligations under this deed;
- (b) the entry into and the performance by it of this deed does not and will not violate, breach or result in a contravention of its constitution or other constituent documents;
- (c) it will not:
 - (1) deal with, sell or otherwise part with possession of any Share;
 - (2) create, permit, suffer to exist, or agree to, any interest or Encumbrance, other than an Encumbrance in favour of the Grantee (or its nominee) in respect of any Share; or
 - (3) attempt to do anything listed in clause 4(c) (1) and (2) in respect of any Share,

without the prior written consent of the Grantee.

5 General

5.1 Notices

- (a) Any notice or other communication including but not limited to any request, demand, consent or approval, to or by a party:
 - (1) must be in legible writing and in English addressed as shown below:

- (A) if to the Grantor:
 - Address: Level 31, Chinachem Century Tower, 178 Gloucester Rd, Hong Kong
 - Attention: Leung Cheung Sheung Justin
 - Facsimile: +852 2834 5137; and
- (B) if to the Grantee:
 - Address: 3/22 Albert Street, Edgecliff, New South Wales, 2027, Australia
 - Facsimile: +61 2 9328 1220

or as specified to the sender by any party by notice;

- (2) must be signed by an authorised person or under the common seal of the sender;
- (3) is to be regarded as having been given by the sender and received by the addressee:
 - (A) if by delivery in person, when delivered to the addressee;
 - (B) if by post, 5 Business Days from and including the date of postage/on delivery to the addressee; or
 - (C) if by facsimile transmission, when received in its entirety in legible form by the addressee,

but if the delivery or receipt is on a day which is not a Business Day or is after 4.00 pm (addressee's time) it is regarded as having been received at 9.00 am on the following Business Day;
- (4) can be relied upon by the addressee and the addressee is not liable to any other person for any consequences of that reliance if the addressee believes it to be genuine, correct and authorised by the sender.

5.2 Governing law and jurisdiction

- (a) This deed is governed by the laws of New South Wales, Australia.
- (b) The parties irrevocably submit to the exclusive jurisdiction of the courts of New South Wales, Australia.

5.3 Variation

A variation of any term of this deed must be in writing and signed by the parties.

5.4 Assignment and substitution

Neither party may assign or novate this deed or any right, benefit or obligation under this deed or otherwise permit a third party to be substituted for it under this deed without the prior written consent of the other party (which consent may be withheld in the absolute discretion of that other party).

5.5 Further assurances

Each party must do all things necessary to give full effect to this deed and the transactions contemplated by this deed.

5.6 Counterparts

- (a) This deed may be executed in any number of counterparts.
- (b) All counterparts, taken together, constitute one instrument.
- (c) A party may execute this deed by signing any counterpart.

5.7 Confidentiality

- (a) The parties must maintain absolute confidentiality in respect of the existence and terms of this deed.
- (b) No disclosure of the existence or terms of this deed is permitted without the prior written consent of the other party, unless the disclosure is required by law or by the ASX or is made to the party's own officers, auditors or professional advisers who require knowledge of this deed in the performance of their duties and who are also subject to an obligation of confidentiality to the disclosing party.

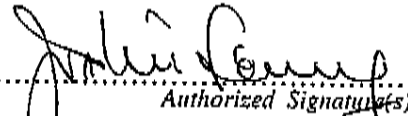
5.8 Entire agreement

This deed supersedes all previous agreements, in respect to the subject matter and embodies the entire agreement between the parties.

Executed as a deed

Executed by **GLOUCESTER NOMINEES LIMITED** acting by its sole director **PALLARD INC** and witnessed by the following person:

For and on behalf of
Pallard Inc


.....
Authorized Signatory(s)

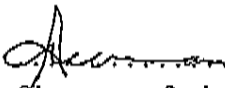
.....
Signature of witness

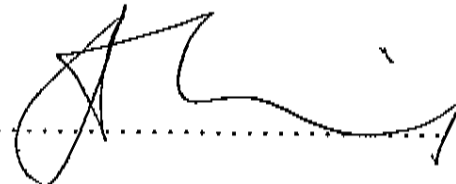
.....
Signature of the authorised signatory of
PALLARD INC

Name: Leung Cheung Sheung Justin

.....
Name of witness (print)

Executed by **JOHN LINDSAY MERITY** and witnessed by the following person:


.....
Signature of witness


.....

.....
ANTHONY WEDDERBURN
.....
Name of witness (print)

Northwest Resources Limited (ACN 107 337 379)

ANNEXURE B

Trust Deed between Pallard Inc. and John Lindsay Merity

This is Annexure B of 3 pages referred to in Form 603 (*Notice of initial substantial holder*).

The attached document is a true copy of the original document.

Signed:

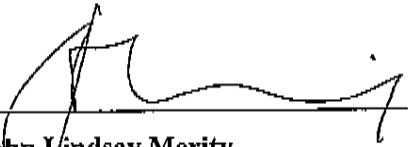
For and on behalf of
Pallard Inc



.....
Authorized Signature(s)
Leung Cheung Sheung Justin

Authorised signatory of Pallard Inc., which is sole director of Gloucester Nominees Limited

Date: 13/7/12



John Lindsay Merity

in his personal capacity and as sole director of Albert Street Nominees Pty Limited

Date: 13/7/12

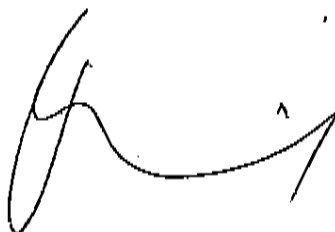
This Deed made on the *22nd* day of *September* Two thousand and eleven between John Lindsay Merity of Unit 3, 22 Albert Street, Edgecliff, NSW 2027 (hereinafter called "the Beneficial Owner") of the one part and Pallard Inc. of 306, Victoria House Victoria, Mahe, Seychelles (hereinafter called "the Nominee") of the other part.

WHEREAS

- (A) Craigsidc Nominees Limited of 1½ Miles Northern Highway Belize City, Belize is a company incorporated in Belize under the International Business Companies Act, on 16th September 2011 with the company number 109,559 (hereinafter called "the Company").
- (B) As at the date of this Deed, the Nominee is holding 50,000 shares (hereinafter called "the Shares") in the Company at the par value of USD1.
- (C) In fact, the Nominee holds the Shares in trust for the Beneficial Owner.

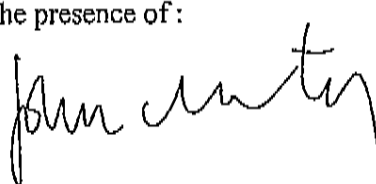
NOW THIS DEED WITNESSETH AS FOLLOWS:

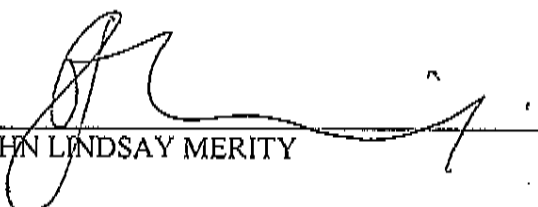
1. The Beneficial Owner hereby appoints the Nominee and the Nominee hereby accepts the Beneficial Owner's appointment as his nominee shareholder to hold the Shares at par in the share capital of the Company in trust for and on behalf of the Beneficial Owner.
2. The Nominee undertakes to exercise its rights in respect of the Shares, transfer and deal with the Shares, dividends and interest in such manner as the Beneficial Owner shall from time to time direct and the Nominee further undertakes that the Nominee will at the request of the Beneficial Owner sign any resolutions in writing or other documents whatsoever which as the holder of the Shares the Nominee has power to sign, attend all meetings of shareholders which the Nominee will be entitled to attend by virtue of being the registered holder of the Shares and will vote at any such meetings in such manner as directed by the Beneficial Owner.
3. In consideration of the Nominee agreeing to act as the nominee shareholder of the Beneficial Owner in the Company as herein provided, the Beneficial Owner shall:



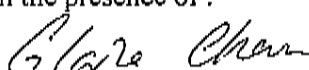
- (a) At all times hereafter fully and effectively to indemnify the Nominee from and against all actions, proceedings, claims or demands which may be made against the Nominee directly or indirectly by reason of the Nominee acting as the shareholder of the Company or by reason of any act, deed, matter or thing done or omitted by the Nominee in the capacity of shareholder (other than any act, deed, matters, or things knowingly in contravention of the laws of Hong Kong or of other place having jurisdiction over the Company or applicable in the place where such act, deed, matter or thing is done or committed or in contravention of any lawful directions or instructions given by the Beneficial Owner to the Nominee) and to pay all costs and expenses which the Nominee may incur in connection with any such actions, proceedings, claims or demands;
- (b) Not give to the Nominee any instructions or directions which are unlawful under the laws of Hong Kong or of other place having jurisdiction over the Company or applicable in the place where such instructions are to be performed;
- (c) Not request the Nominee to provide any guarantees, promises, assurances, undertakings or similar warranties to impose liabilities on the Nominee; and
- (d) Pay the Nominee a non-refundable fee in accordance with the Nominee Service Agreement.

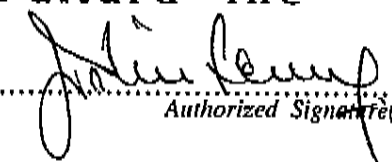
As witness hereof the parties have executed this Deed on the day and year first above written.

Signed, Sealed and Delivered by)
 JOHN LINDSAY MERITY)
 [Holder of Australia Passport no.)
 M2751366])
 in the presence of:)
)
 JOHN JAMES MERITY)



 JOHN LINDSAY MERITY

Sealed with the common seal of)
 PALLARD INC.)
 and signed by its director,)
 Leung Cheung Sheung Justin)
 in the presence of:)
)
 Gloria Chan)
 31/F., Chinachem Century Tower,)
 178 Gloucester Road,)
 Wanchai, Hong Kong)

For and on behalf of)
Pallard Inc)
)
)
 Authorized Signat~~r~~e(s))
 _____)
 LEUNG CHEUNG SHEUNG JUSTIN)

Northwest Resources Limited (ACN 107 337 379)

ANNEXURE C

Declaration of Trust by Albert Street Nominees Pty Limited in favour of John Lindsay Merity

This is Annexure C of 3 pages referred to in Form 603 (*Notice of initial substantial holder*).

Signed:

For and on behalf of
Pallard Inc



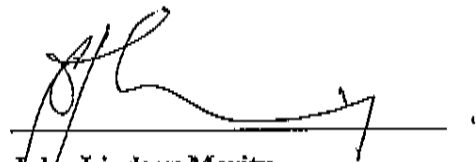
.....
Authorized Signature(s)

Leung Cheung Sheung Justin

Authorised signatory of Pallard Inc., which is sole director of Gloucester Nominees Limited

Date: 13/7/12

The attached document is a true copy of the original document.



John Lindsay Merity

in his personal capacity and as sole director of Albert Street Nominees Pty Limited

Date: 13/7/12

DECLARATION OF TRUST

BY THIS DEED POLL ALBERT SREET NOMINEES PTY LIMITED of 3/22 Albert
Street Edgecliff _____ in the State of New South Wales

("the Trustee") DECLARES THAT the shares in the capital of Northwest Resources Limited A.C.N.151 656 763 listed in the Schedule hereto which are registered in the name of the Trustee on the Register of Members of that company are held by the Trustee in trust for JOHN LINDSAY MERITY of 3/22 Albert Street Edgecliff in the said State ("the Owner") by whom the subscription money for such shares was provided; and the Trustee covenants with the Owner and executors successors and assigns as follows:

1. THAT the Trustee will at all times and from time to time hereafter deal with transfer and dispose of the said shares and the dividends and proceeds thereof and any rights or privileges now or hereafter appertaining thereto in accordance in all respects with the instructions from time to time given to the Trustee by the Owner and not otherwise.
2. THAT the Trustee will at all times and from time to time hereafter whenever requested by the Owner sign execute and deliver any transfer proxy form receipt notice or other instrument relating to the said shares or any such dividends proceeds rights and privileges as aforesaid submitted to the Trustee by the Owner.
3. THAT the Trustee will not vote at any meetings of Northwest Resources Limited _____ in respect of the said shares contrary to any direction of the Owner.
4. THAT any request direction instruction or other intimation which is signed or purports to be signed on the Owner's behalf by any of its officers or directors shall be deemed to have been duly executed by the Owner.
5. THAT the Owner has the right to appoint a new Trustee of the said shares.

A handwritten signature in black ink, appearing to be 'JL Merity', with a long horizontal stroke extending to the right.

THE SCHEDULE

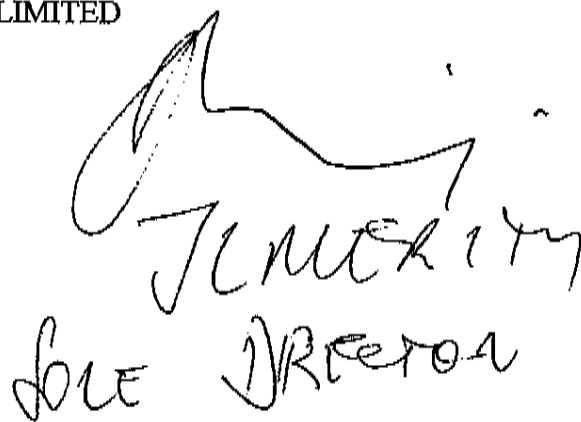
2,949,776 ordinary shares in the capital of Northwest Resources Limited

DATED this 26th day of June 2011.

SIGNED SEALED AND DELIVERED

by the said ALBERT STREET NOMINEES PTY LIMITED

in the presence of:



A handwritten signature in black ink, appearing to be 'J. M. ...', is written above the words 'SOLE DIRECTOR' which are also handwritten in black ink.