Northwest Resources Limited

ANNUAL REPORT 2013

Contents

Cover photo: Camel Creek Joint Venture – Looking northwest to the Little Wonder and Roscoes Reward deposits

Review of Operations

BLUE SPEC SHEAR GOLD-ANTIMONY PROJECT

Northwest's Blue Spec Shear Gold-Antimony Project contains the high-grade Blue Spec and Gold Spec deposits which have a current 2012 JORC compliant Mineral Resource estimate of 219,000oz of gold and 5,200 tonnes of antimony (415Kt @ 16.3g/t Au and 1.3% Sb) which includes Indicated Resources of 151,000t @ 21.7g/t Au for 106,000oz of gold. Approximately 50% of total resources are in the Indicated category.

Over the past year, the Company has made significant progress in technically de-risking the project with a focus on the geology, mining approach and metallurgy of the project.

Development studies

A major contributor to the closure of the Blue Spec and Gold Spec mines in 1978 and 1991 respectively, in addition to poor metallurgical recoveries, was the relatively small scale of production at the individual mines notwithstanding that historical ore reserves grading in excess of one ounce per tonne gold were defined at the deposits at different times during their operations.

During operation under different owners, both Blue Spec and Gold Spec suffered critical production constraints resulting from small shaft access, no mechanisation and lack of capital of private syndicate operators. Significantly, Blue Spec and Gold Spec have never been operated concurrently, despite being less than 900m apart.

In July 2012, Northwest released a detailed mining study which considered the key areas of study for an underground development of the Blue Spec and Gold Spec deposits and evaluated various options for mine design, mine scheduling, development rates, mining method and production scheduling. The study produced preferred options for each area of study aimed at delivering the production scale and operational flexibility lacking in the past and enabled Northwest to define a base case mining scenario for the combined Blue Spec and Gold Spec deposits incorporating:

- concurrent development of the Blue Spec and Gold Spec by way of industry standard declines;
- mechanised narrow vein mining adopting a modified cut and fill method;
- development of the Blue Spec Remnants; and
- milling capacity optimised at 250,000tpa.

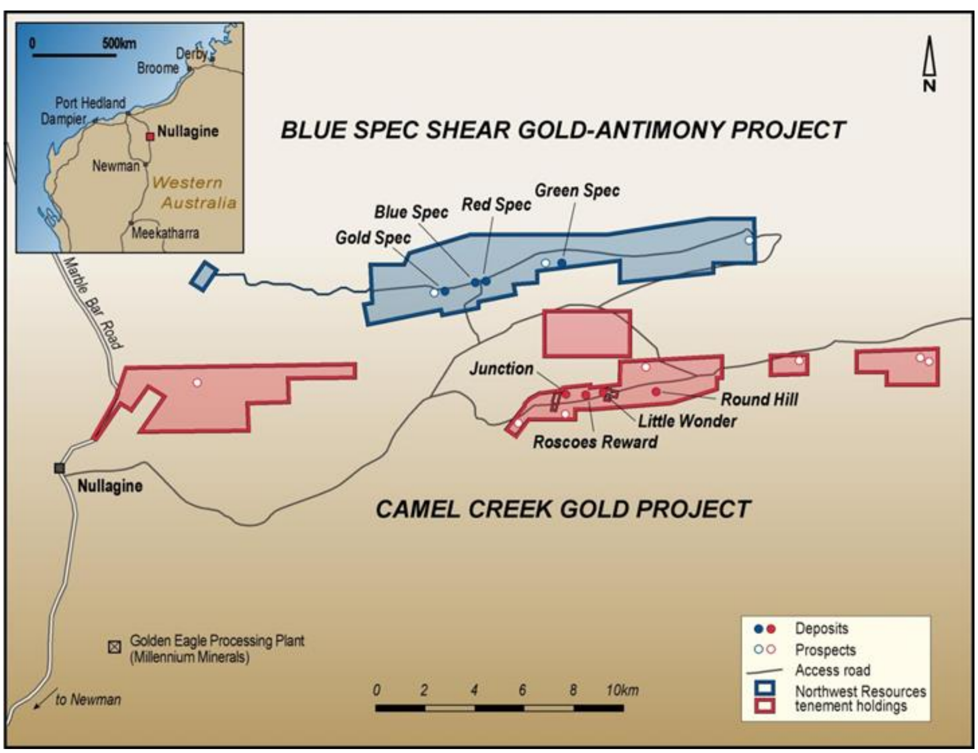


Figure 1: Northwest's Nullagine Goldfield projects

Previous operators of Blue Spec and Gold Spec also experienced very poor metallurgical recoveries of gold and antimony. At Blue Spec under Anglo American's operation in the 1970's recoveries averaged 52% for gold and 59% for antimony. This was the prime contributor to the closure of past operations, notwithstanding that historical ore reserves grading in excess of one ounce per tonne gold were defined at the deposits at different times during their operations.

Poor metallurgical recoveries of gold and antimony at Blue Spec and Gold Spec were due to the complex nature of the auro-stibnite ore (stibnite being the sulphide form of antimony) and the difficulties of separating the gold and antimony. Despite the focus of past operators on maximising gold doré production at the expense of antimony concentrate production, gold recovery to doré was very poor. In addition, significant gold in the antimony concentrate was not paid for by antimony smelters due to the abundant supply of antimony concentrates at the time, particularly in China.

However, in recent years there has been a fundamental shift in the world antimony market. Demand for antimony trioxide (the main commercial form of antimony production) has grown consistently over the last decade and is forecast to reach 250,000 TPA in 2016. By contrast, there has been a significant decline in Chinese antimony mine supply over the last decade and a large proportion of Chinese antimony production (the world's largest producer) is already dependent on imported concentrates.

As a result, the price of antimony metal has risen from around US$2,000/t in 2004 to US$10,500/t today and is forecast to reach over US$20,000/t in the medium term as the market supply deficit continues and widens. PwC has valued the current world antimony at $1.8 billion annually.

Declining antimony mine supply has resulted in Chinese antimony smelters offering high metal payment terms for antimony concentrates containing gold which presented Northwest with the opportunity to produce an antimony concentrate containing gold rather than pursue the separation of gold and antimony from Blue Spec-Gold Spec ores through complex treatment processes.

A critical element of Northwest's development studies was the release in July 2012 of the results of a detailed a metallurgical testwork program designed to test the technical feasibility of Northwest's plan to produce a gold-enriched antimony concentrate for direct sale from Blue Spec-Gold Spec ore.

The metallurgical study was designed by Como Engineers Pty Limited and focused on the comminution properties of Blue Spec and Golden Spec ore, the recovery levels for gold and antimony into a flotation concentrate and the levels of contaminant elements in concentrate which could negatively impact on sale terms.

Various floatation tests indicated that in order to maximize gold recovery to concentrate, sequential floats of a Sb-Au concentrate and a Fe-Au concentrate were produced. The findings from the second stage testwork strongly supports Northwest's view that with blending of the sequential float concentrates, the project can produce a single clean Sb concentrate grading approximately 35% Sb with a very high gold content and with contaminant elements (As, Pb, Hg, Bi) below penalty levels.

Following the positive results of both the mining and metallurgical studies, the Company released the results of a scoping study and preliminary economic assessment of the Blue Spec Shear Gold-Antimony Project. The study evaluated a standalone operation mining both the Blue Spec and Gold Spec underground mines and processing 250,000t of ore per year on site to produce a gold-enriched antimony concentrate for direct sale. The study assumed a US$1,650 gold price.

The scoping study demonstrated the positive potential for an economically robust and technically viable project and provided a strong basis for the Company's decision to progress the project through feasibility studies.

Feasibility studies

The Company has diligently progressed its project feasibility assessment in the last year, including:

- completing extensive metallurgical testwork to confirm the project's ability to produce a marketable antimony concentrate product with high recoveries of gold and antimony into concentrate;
- advancing technical and commercial discussions with a preferred off-take partner to confirm the market demand for the proposed gold-enriched antimony concentrate product;

- finalising all environmental baseline studies for the project. No material environmental issues have been identified and WA mining proposal documentation (including environmental risk management plans) and a mine closure plan has been prepared;

- commencing geotechnical and hydrological studies;

- evaluating mine site accommodation design and construction options; and

- completing a targeted drilling program at Blue Spec and Gold Spec designed to increase the confidence level in the resource base. The drilling program met its objective of defining a substantial amount of high-grade Indicated Resources to support the early stage cash flow assumptions in the scoping study (see Figures 2-5).

Notwithstanding the significant progress made in the feasibility studies, in September 2013, the Company made the difficult but prudent decision to defer completion of the current feasibility studies to enable the Company to focus on evaluating different strategies to realise the significant value in the project.

This decision was the result of the continuing unprecedented level of gold price volatility which has contributed to a continuing decline in the equity market for gold juniors and significantly impacted the availability and terms of debt financing for junior companies like Northwest striving to secure debt capital to bring first gold projects into production.

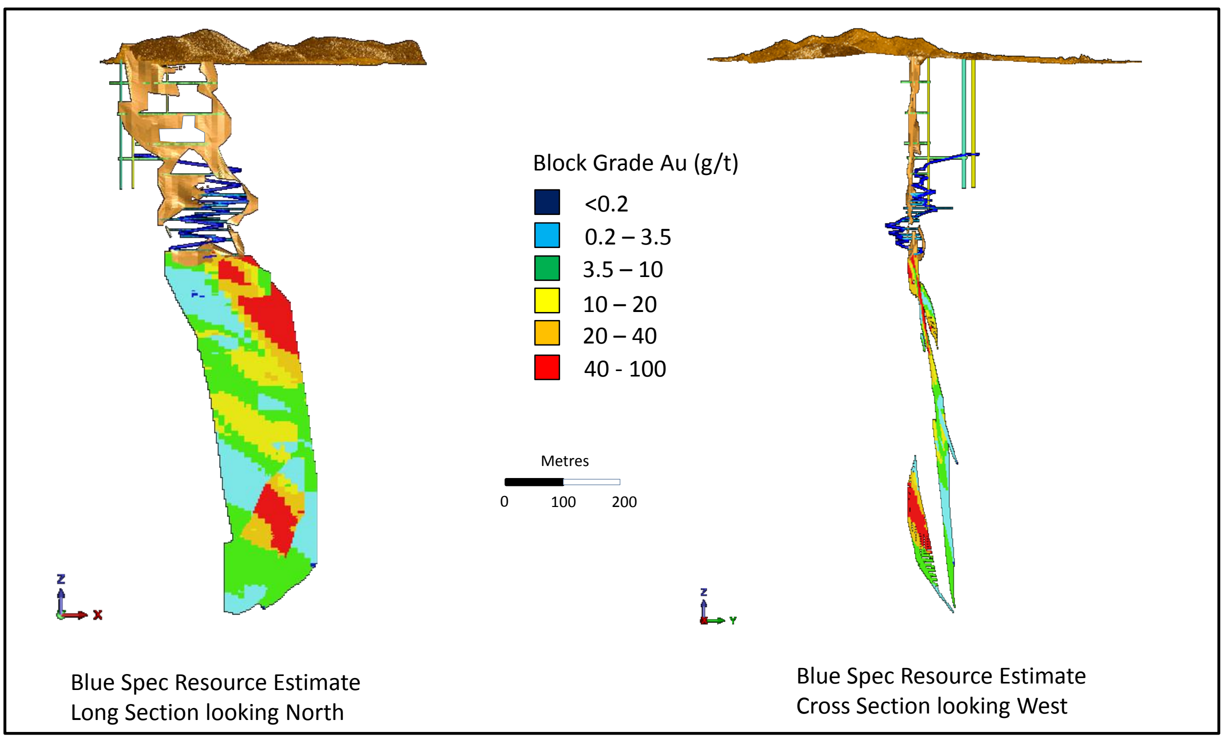


Figure 2: Blue Spec block estimate (OK) showing historical workings and remnant mineralisation (not included in Mineral Resource estimate)

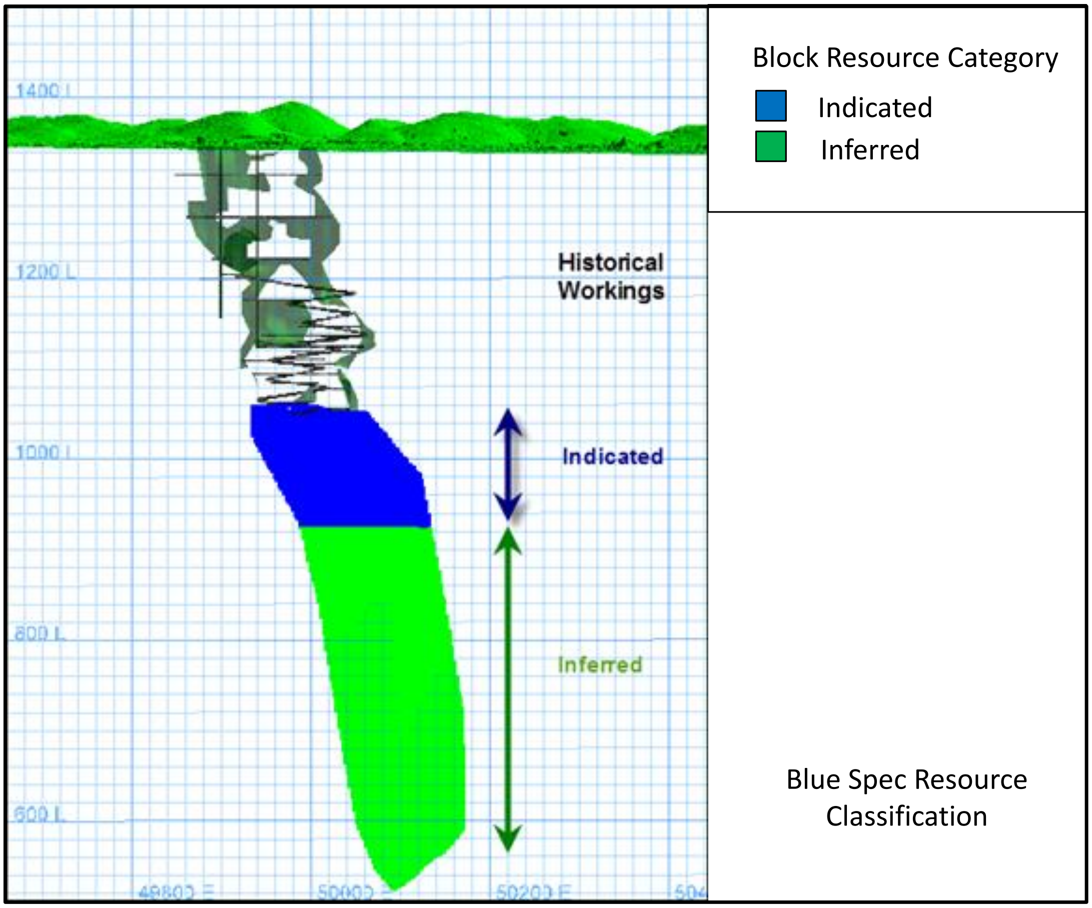


Figure 3: Blue Spec Mineral Resource classification

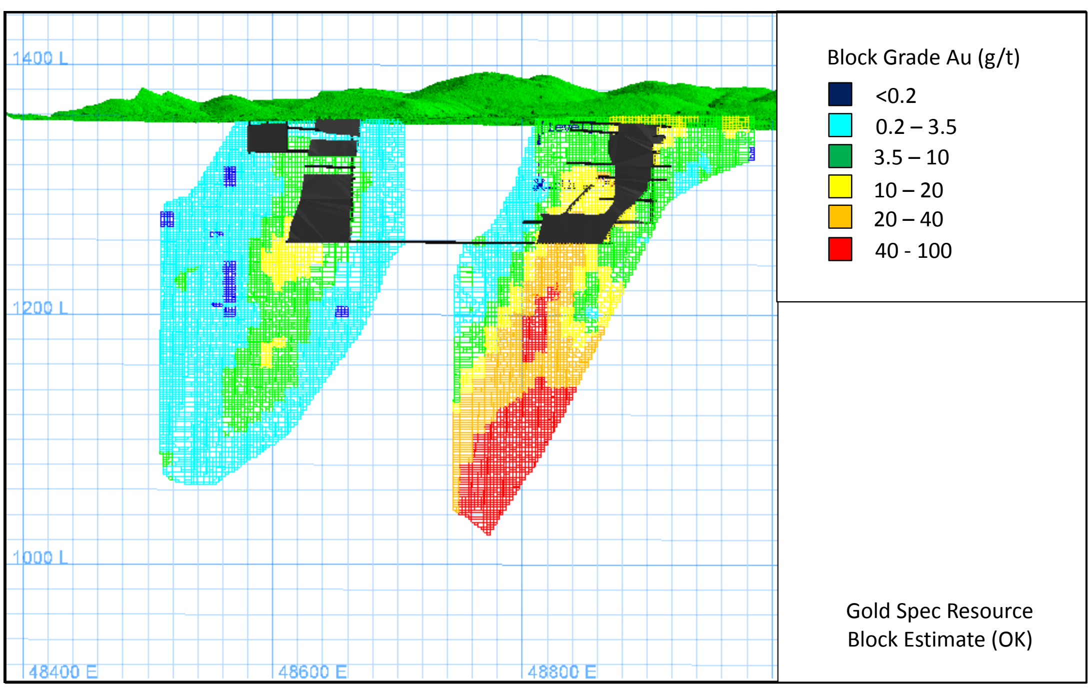
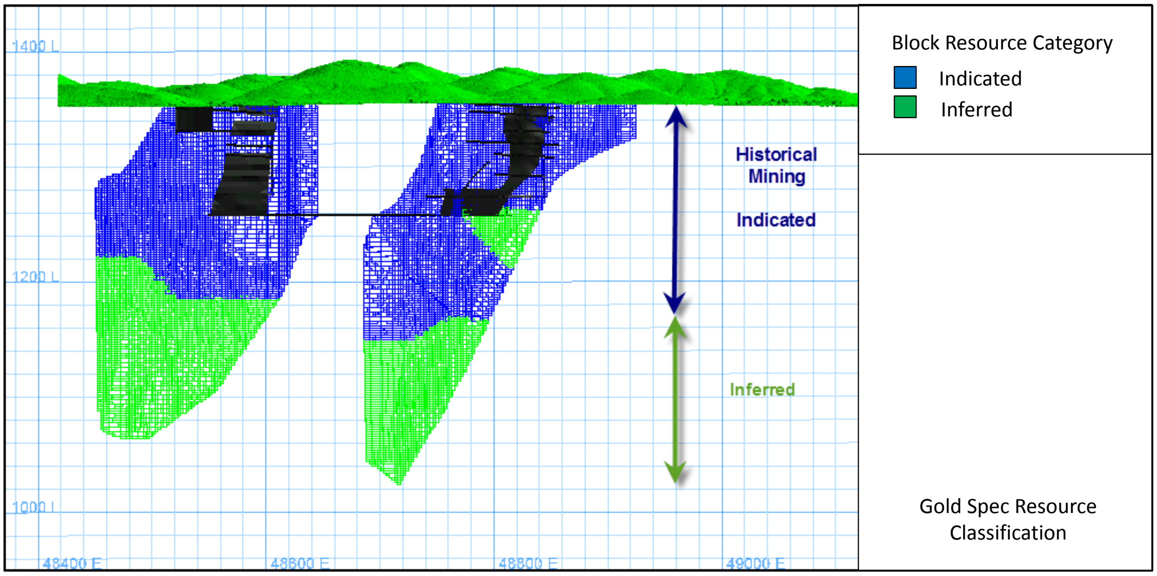


Figure 4: Gold Spec block estimate (OK) showing historical workings and mining voids

Figure 5: Gold Spec Mineral Resource Classification



Northwest will now focus on defining and evaluating lower capital cost development options for the project and investigating opportunities to introduce a development partner to the project following recent expressions of interest by third parties.

Notwithstanding the decision to defer the current feasibility studies, the Company retains great optimism in relation to the Company's flagship project which:

- has a robust high-grade Mineral Resource base of 415,000t @ 15.8g/t Au for 219,000oz of gold and 1.3% Sb for 5,200 of contained antimony which includes Indicated Resources of 151,000t @ 21.7g/t Au for 106,000oz of gold;
- has an updated geological model and resource estimate which is considered a robust representation of Blue Spec and Gold Spec deposits. Based on recent performance, the Company expects future infill drilling to deliver strong conversion rates of Inferred to Indicated Resources;
- has a clear concentrate production and marketing strategy and Northwest has established a positive relationship with a preferred off-take partner;
- has been substantially technically de-risked;
- has excellent high-grade exploration potential at both primary deposits and also along the largely untested Blue Spec shear; and
- is environmentally sound.

In addition, the extensive work completed in connection with the feasibility studies to date will greatly benefit the Company's evaluation of different strategies to realise the significant value in the project.

CAMEL CREEK GOLD PROJECT

Northwest's Camel Creek Gold Project contains four gold deposits with a total 2004 JORC compliant Mineral Resource estimate of 105,000oz of gold (2.67Mt @ 1.23g/t Au). Approximately 80% of the resources are classified in the Measured and Indicated categories. The project also has a 2004 JORC compliant Ore Reserve estimate of 48,300oz of contained gold (1.075Mt @ 1.40g/t Au)

Each of the deposits in the project is a near surface, oxide ore body amendable to open pit mining.

Joint Venture

In 2012 Northwest announced a 50:50 mining joint venture between Northwest and Millennium Minerals Limited (Millennium) relating to the four gold deposits within the Camel Creek Gold Project.

Under the Camel Creek Joint Venture, which is managed by Millennium, Northwest contributes the four existing gold deposits in the project and Millennium contributes its mining capability and processing plant located in the Nullagine Goldfield. Northwest and Millennium are each entitled to 50% of physical gold produced from the joint venture deposits. Ore from the joint venture deposits will be mined and processed by Millennium through its Golden Eagle treatment plant and the parties will share equally the joint venture mining, processing and rehabilitation costs.

It is planned that joint venture ore will be blended with ore from Millennium's Golden Eagle deposit during processing. The joint venture has adopted rigorous reconciliation processes to manage the blending. Mining and treatment of ore from the joint venture deposits will occur after the mining and treatment of ore from Millennium's Golden Gate deposit where mining operations commenced in late August 2013.

Millennium is a strong joint venture partner for Northwest. Millennium completed construction of its Nullagine Gold Project on time and on budget and poured first gold from its Golden Eagle processing plant just south of Nullagine in September 2012. In the 6 months to June 2013, the company poured 33,500 ounces at C1 cash costs of A$794/ounce. In addition, Millennium has hedge contracts in place provide price protection for 50% of its forecast gold production at an average forward delivery price of A$1,614 out to September 2015. (It is important to note that none of Northwest's share of future Camel Creek Joint Venture gold production is covered by Millennium's hedges).

Following a successful exploration program directed at the Junction, Roscoes Reward and Little Wonder joint venture deposits in 2012 which resulted in Mineral Resources being increased by 155% to 97,000 ounces contained gold, a proposed 5,000m RC infill drilling program to convert the small portion of Inferred Mineral Resources to Measured & Indicated at the three largest joint venture deposits and to test the potential to significantly expand the fourth deposit (Round Hill - currently the smallest but highest grade) was postponed to focus on the preparation of ore reserve estimates and mine planning.

Figure 6: Millennium's Golden Eagle treatment plant

Northwest and Millennium have identified a number of prospects on Northwest's Camel Creek tenements which are not part of the joint venture Further deposits can be added to the venture by agreement and the parties believe that further exploration will deliver additional ounces to the joint venture. The Camel Creek Joint Venture relates only to the development of the initial four deposits. Northwest retains exclusive ownership, exploration and development rights on its tenements outside of the four specified deposits.

Scoping study and maiden Ore Reserve estimate

In March 2013 Northwest released the results of a scoping study and preliminary economic assessment of the Company's 50% interest in the Camel Creek Joint Venture. Millennium was not involved in the scoping study which reflected Northwest's assumptions and modeling.

The study evaluated only three of the four joint venture deposits and did not take into account potential extensions and new discoveries through exploration. The study confirmed the Camel Creek Joint Venture's ability to deliver significant cash flows to Northwest with minimal pre-development expenditure and no capital expenditure.

Subsequently, Northwest and Millennium reported a maiden 2004 JORC compliant Ore Reserve estimate of 1.075Mt @ 1.40g/t Au for 48,300oz of contained gold for the Camel Creek Joint Venture with 87% of the estimate in the proven category. The maiden Ore Reserve was prepared by Auralia Mining Consultants Pty Limited and included estimates for the Junction and Roscoes Reward deposits, and the joint venture component of the Little Wonder deposit.

The Ore Reserve estimate was based on a Pre-Feasibility Study (PFS) completed by Auralia. As the Camel Creek Joint Venture will operate as part of the greater Millennium Nullagine Gold Project, the PFS utilized costs and physical parameters sourced from Millennium's current operations and assumed an AUD$1,400 gold price.

Production

Millennium is the operator of the joint venture and has reported that mining operations at its Golden Gate deposits commenced in late August 2012. Mining at the Camel Creek Joint Venture deposits is expected to commence on completion of mining at the Golden Gate deposits.

In September 2013, Northwest secured a $1.93m royalty financing facility to provide the Company with working capital. The royalty financing is structured as a loan with repayments linked to a 15% gross royalty over Northwest's entitlement to future to gold and other mineral production from the Camel Creek Gold Project.

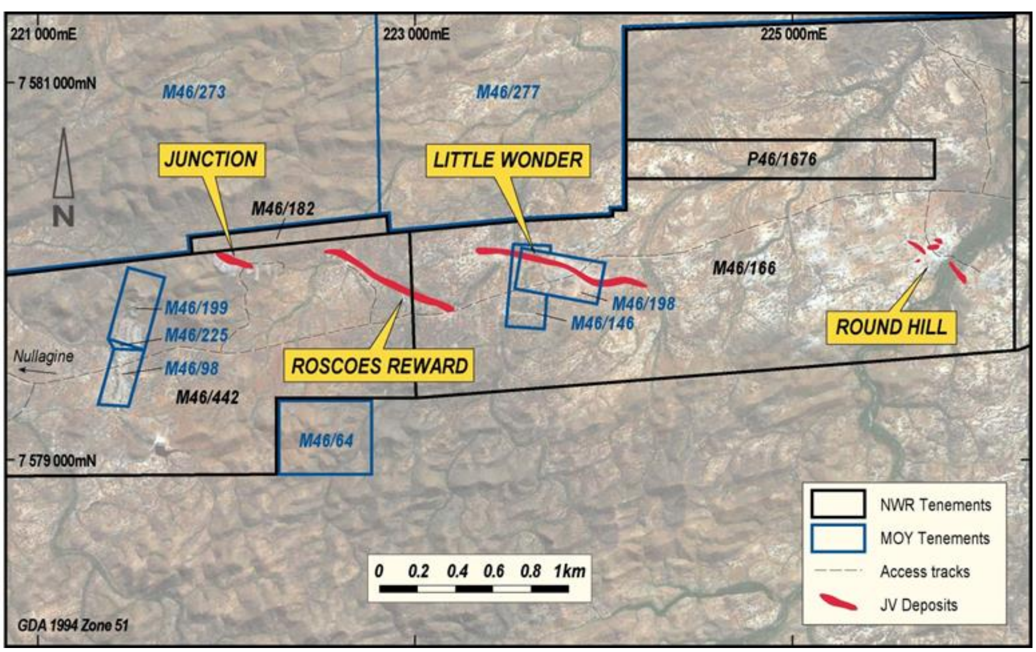


Figure 7: Location of the Camel Creek Joint Venture deposits

Mineral Resource and Ore Reserve Statement

This statement sets out Northwest's Mineral Resource and Ore Reserve holdings as at 30 September 2013.

Mineral Resources have been reported in accordance with the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (**2012 JORC Code**) and the 2004 edition (**2004 JORC Code**).

All Mineral Resources are inclusive of Ore Reserves. All tonnages reported are dry metric tonnes. Minor discrepancies may occur due to rounding to appropriate significant figures.

MINERAL RESOURCES

Blue Spec Shear Gold-Antimony Project

The Mineral Resource estimates for the Blue Spec and Gold Spec deposits set out below have been reported in accordance with the 2012 JORC Code.

Deposit	Resource Category	Tonnes (t)	Grade Au (g/t)	Contained Au (oz)	Grade Sb (%)	Contained Sb tonnes (t)
Blue Spec 3.0g/t Au cut-off	**Indicated**	84,000	29.1	79,000	2.2	1,900
	Inferred	234,000	12.2	92,000	0.9	2,200
	Total	318,000	16.7	171,000	1.3	4,100
Golden Spec 3.0g/t Au cut-off	**Indicated**	67,000	12.4	27,000	1.1	700
	Inferred	30,000	21.6	21,000	1.4	400
	Total	97,000	15.2	48,000	1.2	1,100
Total		**97,000**	**16.3**	**48,000**	**1.3**	**1,100**

Notes:
1. For more detailed information refer to Northwest's ASX announcement dated 30 September 2013.

The Mineral Resource estimates for the Red Spec and Green Spec deposits set out below have been reported in accordance with the 2004 JORC Code. The estimates have not been updated to comply with the 2012 JORC Code on the basis that the information on which the Mineral Resource estimates was based has not materially changed since it was last reported.

Deposit	Resource Category	Tonnes (t)	Grade Au (g/t)	Contained Au (oz)	Grade Sb (%)	Contained Sb tonnes (t)
Red Spec 1.0g/t Au cut-off	**Indicated**	160,000	1.8	9,200	0.01	20
	Inferred	130,000	2.0	8,300	0.01	10
	Total	290,000	1.9	17,500	0.01	30
Green Spec 0.5g/t Au cut-off	**Indicated**	73,000	3.6	8,400	1.1	800
	Inferred	29,000	2.1	1,900	1.0	300
	Total	102,000	3.2	10,300	1.1	1,100
Total		392,000	16.3	27,800	1.3	1,130

Notes – Red Spec:
1. Red Spec mineral resource estimate completed by CSA Global Pty Ltd, June 2010.
2. Geological wireframes modelled based on lithology and vein intensity and constrained by 1.0 g/t Au cut-off grade.
3. Block model interpolated by Ordinary Kriging (OK) based on 31 Reverse Circulation (RC) and 1 diamond (DD) drill holes (total 6,700m) using Datamine 3D software.
4. Bulk density of 2.75 g/cm3 assigned to fresh rock, 2.2 g/cm3 assigned weathered rock.
5. Resource estimate has been classified as Indicated and Inferred based upon geological confidence and sample spacing.

Notes – Green Spec:

6. Green Spec mineral resource estimate completed by Geostat Services Pty Ltd, November 2006.
7. Geological wireframes modelled based on lithology and vein intensity and constrained by minimum 2m true width, 1.0 g/t Au or 1.0% Sb cut-off grades
8. Block model interpolated by OK based on 86 RC and 4 DD holes (total 9,300m) using Surpac 3D software.
9. Bulk density of 2.60 g/cm3 assigned to fresh rock, 2.0 g/cm3 assigned weathered rock.
10. Resource estimate has been classified as Indicated and Inferred based upon kriging variance.

Camel Creek Gold Project

The Mineral Resource estimates set out below have been reported in accordance with the 2004 JORC Code. The estimates have not been updated to comply with the 2012 JORC Code on the basis that the information on which the Mineral Resource estimates was based has not materially changed since it was last reported.

	Resource Category	Tonnes (t)	Grade Au (g/t)	Contained Au (oz)
Roscoes Reward 0.5g/t Au cut-off	**Measured**	638,000	1.2	24,800
	Indicated	517,000	1.1	18,400
	Inferred	528,000	0.9	15,800
	Total	1,683,000	1.1	59,000
Little Wonder 0.5g/t Au cut-off	**Measured**	408,000	1.3	17,300
	Indicated	127,000	0.9	3,800
	Inferred	76,000	0.8	2,000
	Total	611,000	1.2	23,100
Junction 0.5g/t Au cut-off	**Measured**	202,000	1.7	10,700
	Indicated	60,000	1.2	2,300
	Inferred	52,000	1.2	1,900
	Total	314,000	1.5	14,900
Round Hill 1.0g/t Au cut-off	**Indicated**	18,000	4.8	2,800
	Inferred	44,000	4.0	5,700
	Total	62,000	4.3	8,500
Total		2,670,000	1.2	105,500

Notes:
1. Northwest attribution 50% under the Camel Creek Joint Venture (Millennium Minerals Limited 50%).
2. For more detailed information refer to Northwest's ASX announcement dated 24 May 2012.

ORE RESERVES

Blue Spec Shear Gold-Antimony Project

No Ore reserves are reported for the project.

Camel Creek Gold Project

The Ore Reserve estimate set out below has been reported in accordance with the 2004 JORC Code. The estimate has not been updated to comply with the 2012 JORC Code on the basis that the information on which the Ore Reserve estimate was based has not materially changed since it was last reported.

	Proven		Probable		Total		
Deposit	**Ore (t)**	**Grade (g/t Au)**	**Ore (t)**	**Grade (g/t Au)**	**Ore (t)**	**Grade (g/t Au)**	**Metal (oz Au)**
Little Wonder	273,800	1.47	3,000	1.37	276,800	1.47	13,100
Junction	135,700	1.96	14,500	2.00	150,200	1.96	9,400
Roscoes Reward	527,500	1.23	120,600	1.26	648,100	1.24	25,800
Total	**937,000**	**1.41**	**138,100**	**1.34**	**1,075,100**	**1.40**	**48,300**

Notes:
1. Northwest attribution 50% under the Camel Creek Joint Venture (Millennium Minerals Limited 50%).
2. For more detailed information refer to Northwest's ASX announcement dated 10 September 2013.

ANNUAL REVIEW OF MINERAL RESOURCES AND ORE RESERVES

Blue Spec Shear Gold-Antimony Project

The Mineral Resource estimate for the Blue Spec and Gold Spec deposits was released in September 2013 and no material changes have occurred since it was last reported.

The Mineral Resource estimate for the Red Spec deposit was prepared in 2010 and the estimate for the Green Spec deposit was prepared in 2006. It was not considered necessary to review the estimate for either deposit on the basis that the information on which the Mineral Resource estimates were based has not materially changed since it was last reported.

Camel Creek Gold Project

The Mineral Resource estimate for the Junction, Little Wonder and Roscoes Reward deposits was prepared in 2012 and it was not considered necessary to review the estimate for these deposits on the basis that the information on which the Mineral Resource estimates were based has not materially changed since it was last reported.

The Mineral Resource estimate for the Round Hill deposit was prepared in 2008 and it was not considered necessary to review the estimate for this deposit on the basis that the information on which the Mineral Resource estimate was based has not materially changed since it was last reported.

No Ore Reserves were reported in 2012 and accordingly no annual review was necessary.

COMPARISON OF 2012 AND 2013 MINERAL RESOURCES AND ORE RESERVES

Blue Spec Shear Gold-Antimony Project

The Mineral Resource estimates for the Blue Spec and Gold Spec deposits were updated in 2013 to incorporate new material information in accordance with the 2012 JORC Code. The following tables detail the comparisons from the previous year's reporting.

Blue Spec

Indicated Mineral Resources (contained ounces) at Blue Spec were increased by 193% compared to the previous estimate prepared in 2008. This was the result of successful conversion drilling in the area immediately below the historical workings (~320m vertical depth). Combined resources had an overall 32% negative revision of contained ounces whilst the tonnage was largely unchanged. The negative revision was due to a lower overall average grade as a result of the infill drilling and changes to geological interpretation.

Resource Category	Tonnes 2008	Tonnes 2013	% Change	Ounces 2008	Ounces 2013	% Change	Au(g/t) 2008	Au(g/t) 2013	% Change
Indicated	16,000	84,000	425%	27,000	79,000	193%	52.3	29.1	-44%
Inferred	307,000	234,000	-24%	226,000	92,000	-59%	22.9	12.2	-47%
Total	323,000	318,000	-2%	253,000	171,000	-32%	24.4	16.7	-32%

Resource Category	Sb(g/t) 2008	Sb (%) 2013	% Change
Indicated	4.9	2.2	-55%
Inferred	1.6	0.9	-39%
Total	1.7	1.3	-26%

Gold Spec

Indicated Mineral Resources (contained ounces) at Gold Spec were increased by 50% compared to the previous estimate prepared in 2010. This was the result of successful conversion drilling on both the eastern and western lodes. Tonnage was decreased by 70% due to a revised interpretation that was more representative of the actual true width of the lodes. This also resulted in an increase in the average grade by approximately 109%. Combined resources had an overall 37% negative revision of contained ounces.

Resource Category	Tonnes 2010	Tonnes 2013	% Change	Ounces 2010	Ounces 2013	% Change	Au(g/t) 2010	Au(g/t) 2013	% Change
Indicated	16,000	84,000	425%	27,000	79,000	193%	52.3	29.1	-44%
Inferred	307,000	234,000	-24%	226,000	92,000	-59%	22.9	12.2	-47%
Total	323,000	318,000	-2%	253,000	171,000	-32%	24.4	16.7	-32%

Resource Category	Sb(g/t) 2010	Sb (%) 2013	% Change
Indicated	4.9	2.2	-55%
Inferred	1.6	0.9	-39%
Total	1.7	1.3	-26%

There has been no material change to the Mineral Resources reported for the Red Spec and Green Spec deposits since 2012.

No Ore Reserves were reported for the Blue Spec Shear Gold-Antimony Project in 2012.

Camel Creek Gold Project

There has been no material change to the Mineral Resources reported for the Camel Creek Gold Project since 2012.

No Ore Reserves were reported for the Camel Creek Gold Project in 2012.

COMPETENT PERSON STATEMENTS

Mineral Resources

The information in this report that relates to the Mineral Resources listed in the table below is based on, and fairly represents information and supporting documentation prepared by the person whose name appears in the same row, who is employed on a full-time basis by the employer named in that row and is a member of the institute named in that row. Each person named in the table below has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he or she has undertaken to qualify as a Competent Person as defined by the 2004 JORC Code or the 2012 JORC Code respectively.

This 2013 Mineral Resource and Ore Reserve Statement as a whole has been approved by each person named in the table below.

Deposit	Competent Person	Employer	Institute	JORC Code
Blue Spec	David Lyon	Northwest Resources Ltd	Association of Professional Geoscientists of Ontario	2012
Gold Spec	David Lyon	Northwest Resources Ltd	Association of Professional Geoscientists of Ontario	2012
Green Spec	Fleur Muller	Geostat Services Pty Ltd	Australian Institute of Mining & Metallurgy	2004
Red Spec	David Williams	CSA Global Pty Ltd	Australian Institute of Mining & Metallurgy	2004
Junction	Beilin Shi	CSA Global Pty Ltd	Australian Institute of Mining & Metallurgy	2004
Roscoes Reward	Beilin Shi	CSA Global Pty Ltd	Australian Institute of Mining & Metallurgy	2004
Little Wonder	Beilin Shi	CSA Global Pty Ltd	Australian Institute of Mining & Metallurgy	2004
Round Hill	Fleur Muller	Geostat Services Pty Ltd	Australian Institute of Mining & Metallurgy	2004

Ore Reserves

The information in this report that relates to the Camel Creek Gold Project Ore Reserves is based on, and fairly represents information and supporting documentation prepared by Mr. Daniel Tuffin (AusIMM). Mr. Tuffin is a full-time employee of Auralia Mining Consultants Pty Limited and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 JORC Code.

This 2013 Mineral Resource and Ore Reserve Statement as a whole has been approved by Mr. Tuffin.

CONFIRMATION RELATING TO PREVIOUS MARKET ANNOUNCEMENTS

Northwest confirms that in respect of the following market announcements cross referred to in this report:

Subject	Date of Announcement
Blue Spec and Gold Spec Mineral Resource estimate	30 September 2013
Camel Creek Gold Project Mineral Resource estimate	24 May 2012
Camel Creek Gold Project Ore Reserve estimate	10 September 2013

Northwest is not aware of any new information or data that materially affects the information included in the relevant market announcement and that all material assumptions and technical parameters underpinning the Mineral Resource and Ore Reserve estimates in the relevant market announcements continue to apply and have not materially changed.

FINANCIAL REPORT

Directors' Report

Your directors present their report on the consolidated entity consisting of Northwest Resources Limited (**Northwest** or the **Company**) and its controlled entities (together the **Group**) for the year ended 30 June 2013.

OPERATING AND FINANCIAL REVIEW

Principal Activities

Northwest's principal activity is the continuing exploration and development of the Company's Nullagine gold projects in the eastern Pilbara region of Western Australia. There was no significant change in the nature of the Company's activities during the financial year.

Results from Operations and Financial Position

Northwest's gold projects are at the pre-development stage, accordingly, the Company does not yet derive any revenue from the projects. The Group's net profit for the year ended 30 June 2013 was $662,952. At 30 June 2013 the Group had net assets of $13,101,759.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

Since the end of the financial year a number of significant events have occurred to strengthen Northwest's financial position.

- Pursuant to an agreement dated 10 May 2013 between Northwest and Titeline Drilling Pty Ltd, the parties agreed to convert $600,000 of drilling fees payable at balance date into 12,000,000 fully paid ordinary shares at a deemed issue price of $0.05 per share.

- On 20 September 2013, Northwest received a R&D Tax Incentive refund for the 2013 financial year, in the amount of $1.15m. This refund is included in the trade receivables in the balance sheet.

- On 23 September 2013, Northwest announced a $1.93 million royalty financing facility relating to the Camel Creek Gold Project. The royalty is a 15% gross revenue royalty over Northwest's entitlement to gold and other minerals extracted from the Camel Creek Gold Project. Future royalty payments will be credited against the loan amount and accrued interest. The royalty will continue after the loan is repaid. The loan is secured by mortgages over Northwest's tenements. These will be released on repayment of the loan. There is no obligation to make loan or interest repayments prior to the royalty becoming payable.

On 30 September 2013, the Company also announced its decision to defer completion of the current feasibility studies into the Blue Spec Shear Gold-Antimony Project to enable the Company to focus on evaluating different strategies to realise the significant value in the project. This decision was the result of the continuing unprecedented level of gold price volatility which has contributed to a continuing decline in the equity market for gold juniors and significantly impacted the availability and terms of debt financing for junior companies. As a result of the circumstances of the decision to defer the feasibility assessment and Northwest's continuing evaluation of alternative development options, no impairment charge has been recorded against the carrying value of the project asset in the current year.

Review of Operations

During the financial year the Company continued its development of the Company's flagship Blue Spec Shear Gold-Antimony project and the Camel Creek Gold Project through the Camel Creek Joint Venture with Millennium Minerals Limited.

Changes in State of Affairs

There was no significant change in the Group's state of affairs during the financial year.

ENVIRONMENTAL MANAGEMENT

In undertaking its mineral exploration and development activities, Northwest is subject to a number of environmental laws, principally those administered by the Western Australian Department of Mines & Petroleum. Those laws relating to the clearing of native vegetation and protection of aboriginal heritage are particularly relevant to Northwest's exploration activities.

Northwest is committed to a high standard of environmental performance with respect to its mineral exploration activities. The Group has not received any fines or prosecutions under any environmental or heritage laws or regulations nor incurred any reportable environmental incidents during the financial year with respect to its activities.

DIVIDENDS

No dividend was paid or declared during the financial year. The directors will consider an appropriate dividend policy once Northwest is generating an operating profit.

SHARE OPTIONS

At the date of this report and at the reporting date there are 4,000,000 unissued shares under option.

PROCEEDINGS ON BEHALF OF NORTHWEST

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of Northwest or intervene in any proceedings to which Northwest is a party for the purpose of taking responsibility on behalf of Northwest for all or any part of those proceedings.

AUDIT AND NON-AUDIT SERVICES

The Group engages BDO to provide statutory audit services. Total audit fees paid during the period for audit services were $26,750.

DIRECTORS

The names, qualifications, experience and special responsibilities in office during the financial year and until the date of this report are set out below.

Mr. Jim Colquhoun
Independent Non-Executive Chairman, LLB (Hons)

Mr. Colquhoun is a lawyer with over 35 years' experience advising governments, statutory authorities and public companies in several business sectors including extensive involvement with the mining sector. Mr Colquhoun held the positions of Chairman of the ACT Racing Club and Chairman of ACT TAB Limited. He has also been a director of a number of listed Australian companies.

Mr. Colquhoun was appointed to the Board on 6 July 2004. He is Chairman of the Audit and Remuneration Committees. He has no other current listed company directorships nor has he held any in the previous three years.

Mr. John James Merity
Managing Director, B.A., LLB (Hons), GAICD

Mr. Merity has a broad range of management, financial and legal experience gained from 15 years in the corporate advisory and legal sectors in Australia and the UK. Mr. Merity has been the company's Managing Director since its public listing.

Mr. Merity was appointed to the Board on 6 July 2004. He also acts as Company Secretary. He has no other current listed company directorships nor has he held any in the previous three years.

Mr. Peter Richard
Independent Non-Executive Director

Mr. Richard is a stockbroker with over 35 years' experience in Australian capital markets. During a long career in the stock markets, Mr. Richard was a director of Jacksons Ltd, then the largest underwriter of mining and exploration floats in Australia. Mr. Richard currently provides consulting services to emerging mining and technology companies. He has previously been a director of a number of listed Australia public companies in the resources sector.

Mr. Richard was appointed to the Board on 30 June 2008. He is a member of the Audit and Remuneration Committees. He has no other current listed company directorships nor has he held any in the previous three years.

DIRECTORS' INDEMNITIES AND INSURANCE

The Company has signed a Deed of Access, Insurance and Indemnity with each director against liability to another person in the course of performing their duties, other than Northwest or its subsidiaries, provided that the provisions of the *Corporations Act 2001* are complied with in relation to the giving of the indemnity and the liability does not arise in respect of conduct involving a lack of good faith on the part of the director. Northwest has not, during or since the financial year, paid any insurance premiums for current or former officers or auditors.

INTERESTS IN THE SHARES AND OPTIONS OF THE COMPANY

As at the date of this report, the interest of the directors in the shares and options of Northwest are set out in Table 1.

DIRECTORS' MEETINGS

The number of meetings of Northwest's Board and of each Board committee held during the financial year and the number of meetings attended by each director are contained in Table 2.

Table 1- Interests in the shares and options of the company

Director	Fully paid ordinary shares	Options
Jim Colquhoun	276,666	1,000,000
John Merity	3,047,500	-
Peter Richard	-	1,000,000

Table 2 – Directors' meetings

Directors	Directors' Meetings		Audit Committee Meetings		Remuneration Committee Meetings	
	No. Eligible	No. Attended	No. Eligible	No. Attended	No. Eligible	No. Attended
James Colquhoun	17	16	1	1	1	1
John Merity	17	17	0	0	0	0
Peter Richard	17	17	1	1	1	1

Remuneration Report

Your directors present their report on the remuneration of non-executive directors, executive directors and key management personnel.

For the purposes of this report key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including directors.

DIRECTORS AND KEY MANAGEMENT PERSONNEL

Directors

Jim Colquhoun	Non-Executive Chairman
John James Merity	Managing Director
Peter Richard	Non-Executive Director

Key management personnel

Allan King	Executive General Manager

There were no changes of Key Management Personnel after reporting date and before the date of this financial report.

REMUNERATION POLICY

The remuneration policy of Northwest has been designed:

- to attract and retain the highest calibre of executives and directors to manage the company during the critical exploration and development phases of Northwest's projects in an environment of intense competition amongst mining and exploration companies for such senior staff;
- to align the interests of executives and directors with the interests of shareholders to generate long-term growth in shareholder wealth; and
- to satisfy good remuneration governance practice by ensuring remuneration of directors and executives is: competitive and reasonable; acceptable to shareholders; aligns executive remuneration to performance; transparent and results in appropriate capital management.

REMUNERATION COMMITTEE

The Board has established a Remuneration Committee to determine the appropriate nature and amount of remuneration of executives. The committee is primarily responsible for making decisions on:

- non-executive director fees;
- remuneration levels of executive directors and other key management personnel;
- the executive remuneration framework and operation of the Company's incentive plan; and
- the key performance indicators and performance hurdles for the executive team.

NON-EXECUTIVE DIRECTOR REMUNERATION

In respect of non-executive directors, Board policy is to determine remuneration based on time, commitment and the demands which are made on non-executive directors in the current corporate governance environment. The Constitution and the ASX Listing Rules specify that the aggregate remuneration of non-executive directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then divided between the directors as agreed. The latest determination was in 2004 when shareholders approved an aggregate remuneration of $150,000 per year.

Non-executive directors do not receive any form of performance-based remuneration and no additional fees are paid for any Board committee on which a director sits.

EXECUTIVE REMUNERATION

The Company aims to reward executives with a level and mix of remuneration commensurate with their position and responsibilities within the Company and so as to:

- reward executives for company and individual performance against targets set by reference to appropriate benchmarks;
- align the interests of executives with those of shareholders;
- link reward with the strategic goals; and
- ensure total remuneration is competitive by market standards.

Executives receive a base salary and superannuation and are eligible to receive performance-based remuneration in the form of participation in Northwest's Performance Rights Plan.

The performance of executives is measured against criteria agreed annually with individuals and is based predominantly on the creation of shareholder value through each person's respective role.

An important part of Northwest's executive remuneration policy is the alignment of the interests of executives with the interests of shareholders to generate long-term growth in shareholder wealth. The Board seeks to achieve this outcome through inviting executives to participate in Northwest's Performance Rights Plan.

Base pay and benefits

Executives receive a base pay which is based on factors such as responsibilities, length of service and experience. There are no guaranteed base pay increases in any executives' contracts.

Long term incentives

Long term incentives are provided to executives via Northwest's Performance Rights Plan which was approved by shareholders at the 2010 annual general meeting.

The Performance Rights Plan is designed to provide long-term incentives for executives to deliver long-term shareholder returns. Under the plan, participants are granted rights which only vest if certain performance conditions are met. Participation in the plan is at the Board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

A total of 6,000,000 performance rights are currently on issue to key management personnel with performance conditions divided between operational conditions relating to commencement of production and gold production targets and financial conditions relating to share price increases and total shareholder return targets. Each performance right converts into one share on vesting. A total of 1,500,000 key management personnel performance rights lapsed during the financial year.

Conditions	Proportion of performance rights granted
Operational performance	60%
Financial performance	40%

Share trading policy

The trading of shares issued to executives under the Performance Rights Plan is subject to and conditional upon compliance with the company's share trading policy. The Company would regard any breach of the policy as gross misconduct which would lead to disciplinary action and potentially dismissal.

DETAILS OF REMUNERATION

The details of the remuneration received by the directors and key management personnel of the Group for the current and previous financial year are shown in Tables 3 and 4.

VOTING AND COMMENTS MADE AT THE 2012 ANNUAL GENERAL MEETING

Northwest received more than 90% of yes votes on its 2012 remuneration report. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

SERVICE AGREEMENTS

On appointment to the Board, all non-executive directors enter into service agreements with the Company in the form of a letter of appointment.

Remuneration and other terms of employment for the managing director and key management personnel are formalized in service agreements. The key terms of the service agreements for executives are set out in Table 5.

Table 3 – Details of remuneration

2013	SHORT TERM			POST EMPLOYMENT		SHARE-BASED PAYMENTS		TOTAL	PERFORMANCE RELATED
	Salary & Fees $	Non-cash $	Bonus $	Super $	ETP $	Rights $	Options $	$	%
J Colquhoun	50,000	-	-	-	-	-	-	50,000	-
JJ Merity	210,000	-	-	25,200	-	-	-	235,200	-
P Richard	40,000	-	-	-	-	-	-	40,000	-
A King	347,307	-	-	31,258	-	-	-	378,565	-
Total	**647,307**	**-**	**-**	**56,458**	**-**	**-**	**-**	**703,765**	

Table 4 – Details of remuneration

2012	SHORT TERM			POST EMPLOYMENT		SHARE-BASED PAYMENTS		TOTAL	PERFORMANCE RELATED
	Salary & Fees $	Non-cash $	Bonus $	Super $	ETP $	Rights $	Options $	$	%
J Colquhoun	50,000	-	-	-	-	-	68,100	118,100	57.66
JJ Merity	210,000	-	20,000	27,600	-	-	-	257,600	7.76
P Richard	40,000	-	-	-	-	-	68,100	108,100	62.99
A King	188,461	-	-	16,962	-	20,912	-	226,335	9.80
Total	**488,461**	**-**	**20,000**	**44,562**	**-**	**20,912**	**136,200**	**710,135**	

Table 5 – Service agreements

Name	Term of Agreement	Base Salary & Superannuation	Termination benefit
John Merity, Managing Director	Ongoing commencing on 16 December 2009	$257,600	12 months base salary
Allan King, Executive General Manager	Ongoing commencing on 22 December 2011	$381,500	6 months base salary

The base salary and superannuation of John Merity includes a bonus of $20,000 which is awarded in November each year relating to the preceding financial year. No bonus was paid for 2011-2012 financial year.

This Directors' Report and the Remuneration Report are made in accordance with a resolution of the directors.

John Merity
Managing Director

30 September 2013

Consolidated Statement of Comprehensive Income

For the Year Ended 30 June 2013

	Note	2013 $	2012 $
Revenue from continuing operations	2	90,488	1,005,782
		90,488	**1,005,782**
Administration expenses	3	(725,699)	(632,847)
Depreciation		(44,980)	(47,925)
Director fees		(94,545)	(95,000)
Employees benefit expense		(399,307)	(260,293)
Impairment of convertible note		-	(931,154)
Share based payments		(42,340)	(232,565)
Loss before income tax expense		(1,216,383)	(1,194,002)
Income tax benefit	4	1,879,335	-
Profit/(loss) after income tax benefit		662,952	(1,194,002)
Profit/(loss) attributable to non-controlling interests		-	(7,352)
Profit/(loss) attributable to owners of Northwest Resources Ltd		662,952	(1,186,650)
Profit/(Loss) for the year		662,952	(1,194,002)
Other comprehensive income		-	-
Total comprehensive income/(loss) for the year		**662,952**	**(1,186,650)**
Basic earnings per share	16	0.40 cents	(0.91) cents
Diluted earnings per share	16	0.40 cents	(0.91) cents

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

As at 30 June 2013

	Note	2013 $	2012 $
Current Assets			
Cash and cash equivalents	5	312,571	282,785
Trade and other receivables	6	1,352,534	117,392
Other current assets	7	8,516	14,568
Total Current Assets		**1,673,621**	**414,745**
Non-Current Assets			
Trade and other receivables	8	14,478	10,793
Financial assets	9	-	650,000
Plant and equipment	10	1,226,386	1,273,439
Exploration, evaluation and development expenditure	11	12,156,482	7,478,018
Total Non-Current Assets		**13,397,346**	**9,412,250**
Total Assets		**15,070,967**	**9,826,995**
Current Liabilities			
Trade and other payables	12	1,913,631	364,031
Total Current Liabilities		**1,913,631**	**364,031**
Non-Current Liabilities			
Long-term provisions	13	55,577	49,144
Total Non-Current Liabilities		**55,577**	**49,144**
Total Liabilities		**1,969,208**	**413,175**
Net Assets		**13,101,759**	**9,413,820**
Equity			
Contributed Equity	14	33,508,268	30,483,281
Accumulated losses	15	(20,406,509)	(21,069,461)
Parent entity interest		13,101,759	9,413,820
Total Equity		**13,101,759**	**9,413,820**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2013

2012	Issued Capital	Accumulated Losses	Minority Equity Interest	Total Equity
	$	$	$	$
As at 1 July 2011	29,610,816	(19,882,811)	647,252	10,375,257
Total comprehensive income/(loss) for the year	-	(1,186,650)	(7,352)	(1,194,002)
Share based payments	232,565	-	-	232,565
Acquisition of remaining interest in subsidiary	639,900	-	(639,900)	-
As at 30 June 2012	30,483,281	(21,069,461)	-	9,413,820

2013	Issued Capital	Accumulated Losses	Minority Equity Interest	Total Equity
	$	$	$	$
As at 1 July 2012	30,483,281	(21,069,461)	-	9,413,820
Total comprehensive income/(loss) for the year	-	662,952	-	662,952
Contributions of equity, net of transaction costs	2,931,147	-	-	2,931,147
Share based payments	93,840	-	-	93,840
As at 30 June 2013	33,508,268	(20,406,509)	-	13,101,759

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Cash Flow Statement

For the Year Ended 30 June 2013

	Note	2013 $	2012 $
Cash flows From Operating Activities			
Receipts from customers		8,000	-
Payments to suppliers and employees		(935,284)	(859,029)
Payment for mineral exploration activities		(3,326,577)	(2,100,875)
Interest received		43,683	118,569
Interest paid		(637)	(612)
Income taxes refunded		603,903	-
Net cash (outflow) from operating activities	19 (b)	(3,606,912)	(2,841,947)
Cash Flows From Investing Activities			
Proceeds from joint venture partner on execution of agreement		-	250,000
Payment for purchase of investments		(3,685)	(510)
Proceeds from sale of available-for-sale financial assets		689,187	-
Payments for plant and equipment		(31,451)	(2,886)
Net cash inflow from investing activities		654,051	246,604
Cash Flows From Financing Activities			
Proceeds from issue of shares		3,156,000	-
Share issue transaction costs		(173,353)	-
Net cash inflow from financing activities		2,982,647	-
Net Increase/(Decrease) in cash held		29,786	(2,595,343)
Cash at the beginning of the financial year		282,785	2,878,128
Cash at the End of the Financial Year	19 (a)	**312,571**	**282,785**

The above consolidated cash flow statement should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the consolidated entity consisting of Northwest Resources Limited (**Northwest** or the **Company**) and its subsidiaries.

These general purpose financial statements were authorised for issue by the Board on 30 September 2013.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, investment properties, certain classes of property, plant and equipment and derivative financial instruments

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 31.

1a Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Company as at 30 June 2013 and the results of all subsidiaries for the year then ended. Northwest and its subsidiaries together are referred to in this financial report as the group or the consolidated entity.

Subsidiaries are all entities (including special purpose entities) over which the group has the power to govern the financial and operating policies, generally accompanying a shareholder of more than one-half of voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the group (refer to Note 1n).

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and balance sheet respectively.

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of the Company.

When the group ceases to have control, joint control or significant influence, any retained interest in the entity is re-measured to its fair value with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, jointly controlled entity or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a jointly-controlled entity or an associate is reduced by joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

1b Income tax

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

1c Trade receivables and revenue recognition

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets. Other debtors are recognised at the amount receivable and are due for settlement within 30 days from the end of the month in which services were provided.

Loans granted are recognised at the amount of consideration given or the cost of services provided to be reimbursed.

1d Financial instruments

The group classifies its investments in the following categories: financial assets at fair value through profit or loss; loans and receivables; and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at each reporting date.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the group provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of the investment within 12 months of the end of the reporting period. Investments are designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term.

Recognition and de-recognition

Regular purchases and sales of financial assets are recognised on trade-date-the date on which the group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement. Financial assets are de-recognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership.

Fair value

The fair values of quoted investments are based on current market prices. If the market for a financial asset is not active (and for unlisted securities), the group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

Impairment

The group assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered as an indicator that the securities are impaired.

If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments classified as available-for-sale are not reversed through the income statement.

Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred, including:

- interest on the bank overdraft
- interest on short term and long term borrowings
- interest on finance leases
- unwinding of the discount on provisions

1e Plant and equipment

Plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Depreciation

The depreciable amount of all plant and equipment is depreciated using the straight line basis, diminishing basis or by the usage method over their useful lives to the Company commencing from the time the asset is held ready for use. The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant and equipment	10–100%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement.

1f Trade payables and other creditors

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year and which are unpaid, together with assets ordered before the end of the financial year.

The amounts are unsecured and are usually paid within 30 days of recognition.

1g Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that is transferred to the Company, are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

1h Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

1i Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a net basis with the GST component included in operating cash flows.

1j Exploration and evaluation assets

Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

1k Employee benefits

(i) Short term obligations

Liabilities for wages and salaries, including non-monetery benefits, annual leave and accumulating sick leave expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. All short-term employee benefits obligations are presented as payables.

(ii) Long term obligations

The liability for long service leave and annual leave which is not expected to be settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee entitlements and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departure and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(iii) Long term obligations – share based payments

Share-based compensation benefits are provided to employees via the Northwest Resources Limited Performance Rights Plan and issue of options.

The fair value of performance share rights granted under the Northwest Resources Limited Performance Rights Plan is recognised as an employee benefit expense with a corresponding increase in equity. The assessed fair value at grant date of performance share rights granted to individual is allocated equally over the period from grant date to vesting date once achievement of performance hurdles becomes probable. The value attached to the performance share rights is the share price on the day of issue.

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined using the Black-Scholes valuation method or other appropriate method. Further details are disclosed at Note 24.

1l Share-based payment transactions

The cost of equity-settled transactions with suppliers is measured by reference to the fair value at the date at which they are granted. The fair value is determined using the Black-Scholes valuation method or other appropriate method. Further details are disclosed at Note 24.

1m Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

1n Business combinations

The acquisition method of accounting is used to account for all business combinations, including business combinations involving entities or businesses under common control, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquirer and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the group's share of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

1o Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Northwest, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.**1p Parent entity financial information**

The financial information for the parent entity, Northwest Resources Limited, disclosed in Note 230 has been prepared on the same basis as the consolidated financial statements.

1q Going concern

The group has a net working capital deficiency of ($240,010), has incurred a net loss of ($1,216,383) before income tax benefit, for the year ended 30 June 2013, and has committed minimum expenditure under its exploration licences of $465,728 in the year ending 30 June 2014.

The continuing ability of the group to continue as a going concern and to meet its commitments as and when they fall due is dependent upon one, or a combination of alternatives, which may include, but are not limited to:

- Undertaking further capital raisings;
- Entering into joint ventures for the potential development of projects; and
- Obtaining debt or alternative forms of finance.

Since the end of the financial year a number of significant events have occurred to strengthen Northwest's financial position.

Pursuant to an agreement dated 10 May 2013 between Northwest and Titeline Drilling Pty Ltd, the parties agreed to convert $600,000 of drilling fees into 12,000,000 fully paid ordinary shares at a deemed issue price of $0.05 per share.

On 20 September 2013, Northwest received a R&D Tax Incentive refund for the 2013 financial year, in the amount of $1.15m. This refund is included in the trade receivables in the balance sheet.

On 23 September 2013, Northwest announced a $1.93 million royalty financing facility relating to the Camel Creek Gold Project. The royalty is a 15% gross revenue royalty over Northwest's entitlement to gold and other minerals extracted from the Camel Creek Gold Project. Future royalty payments will be credited against the loan amount and accrued interest. The royalty will continue after the loan is repaid. The loan is secured by mortgages over Northwest's tenements. These will be released on repayment of the loan. There is no obligation to make loan or interest repayments prior to the royalty becoming payable.

As a result of the above transactions the directors believe the group has sufficient funds to settle its debts as and when they become due and payable.

On that basis, the directors have prepared the financial report on a going concern basis. At this time, the directors are of the opinion that no asset is likely to be realised for an amount less than the amount at which it is recorded in the financial report at 30 June 2013. Accordingly, no adjustments have been made to the financial report relating to the recoverability and classification of the asset carrying amounts or the amounts and classification of liabilities that might be necessary should the Company not continue as a going concern.

	2013 $	2012 $
2 REVENUE FROM OPERATING ACTIVITIES		
Interest income	43,301	105,782
Sale of explosives magazine	8,000	-
Proceeds from MOY JV agreement	-	900,000
Profit on sale of shares	39,187	-
	90,488	**1,005,782**

3 OTHER EXPENSES FROM OPERATING ACTIVITIES		
Share registry expenses	18,028	29,020
Listing fees	22,409	21,051
Insurance	8,417	15,208
Rent	64,858	57,126
Other administration expenses	611,987	510,442
	725,699	**632,847**

4 INCOME TAX	1,879,335	-

No income tax is payable by the Company or consolidated entity as they incurred losses for the year for income tax purposes.

4a The prima facie income tax benefit on loss is reconciled to the income tax benefit as follows:

Operating loss before income tax	(1,216,383)	(1,194,002)
Prima facie income tax at 30% (2012: 30%)	(364,915)	(358,200)
R & D expenditure	2,716,514	-
Non-deductible expenditure	55,912	90,763
Exploration expenditure	(4,678,464)	(618,991)
Deferred tax asset not brought to account	2,270,953	886,428
Fuel tax credit refund	53,000	-
R & D tax incentive refund	1,826,335	-
Income tax benefit	1,879,335	-

The potential deferred tax asset arising from income tax losses has not been recognised as an asset because realisation of the tax losses is not considered probable.

Deferred tax asset calculated at 30% (2012: 30%) not recognised:

• Income tax losses	7,864,283	7,339,505
	7,864,283	**7,339,505**

This benefit for tax losses will only be obtained if the relevant Company derives future assessable income of a nature and an amount sufficient to enable the asset to be realised; the relevant Company continues to comply with the conditions for deductibility imposed by the law; and no changes in tax legislation adversely affect the Company in realising the asset.

	2013 $	2012 $
5 CASH AND CASH EQUIVALENTS		
Cash at bank	312,571	282,785
	312,571	**282,785**
6 TRADE AND OTHER RECEIVABLES		
Receivables	1,352,534	117,392
	1,352,534	**117,392**
7 OTHER CURRENT ASSETS		
Prepayments	8,516	14,568
	8,516	**14,568**

8 TRADE AND OTHER RECEIVABLES	2013 $	2012 $
Security Deposit	14,478	10,793
	14,478	**10,793**
9 FINANCIAL ASSETS		
Available-For-Sale Financial Assets	-	650,000
	-	**650,000**
Reconciliation of financial assets held for sale		
Opening balance	650,000	-
Additions	-	650,000
Disposed of during year	650,000	-
	-	**650,000**
Reconciliation of loans and receivables		
Opening balance	-	697,263
Impairment	**-**	**(697,263)**
	-	**-**
10 PLANT AND EQUIPMENT		
Plant and equipment	1,647,440	1,690,644
Less: Provision for depreciation	(421,054)	(417,205)
	1,226,386	**1,273,439**
Reconciliation		
Carrying amount at beginning of the year	1,273,439	1,318,478
Additions	31,450	2,886

Disposals	(33,523)	-
Depreciation	(44,980)	(47,925)
Carrying Amount at End of Year	**1,226,386**	**1,273,439**

11 EXPLORATION, EVALUATION AND DEVELOPMENT EXPENDITURE

Exploration and evaluation expenditure on mining tenements	12,156,482	7,478,018
	12,156,482	**7,478,018**
Reconciliation		
Carrying amount at beginning of year	7,478,018	5,414,715
Additions	4,678,464	2,063,303
Written off	-	-
Carrying Amount at end of year	**12,156,482**	**7,478,018**

The ultimate recoupment of costs carried forward for exploration and evaluation phases is dependent on the discovery of commercially viable mineral or other natural resource deposits and their successful development and commercial exploitation or sale of the respective mining areas.

	2013	**2012**
	$	**$**
12 TRADE AND OTHER PAYABLES		
Trade creditors and accruals	1,913,631	364,031
	1,913,631	**364,031**

13 LONG-TERM PROVISIONS

Employee entitlements	55,577	49,144
	55,577	**49,144**
Reconciliation		
Opening balance	49,144	24,438
Additions	6,433	24,706
	55,577	**49,144**

14 CONTRIBUTED EQUITY

14a Issued and paid up capital	33,508,268	30,483,281
	33,508,268	**30,483,281**

	Number	$
14b Movement in issued capital		
At the beginning of the financial year – 01 July 2012	130,970,418	30,483,281
Issue of shares – 13 July 2012	45,000,000	-
Issue of shares – 15 October 2012	26,300,000	3,156,000
Issue of shares – 17 March 2013	75,000	-
Share based payments	-	93,840
Less: transaction costs on issue of shares	-	(223,353)
Less: transaction costs on issue of rights under employee share scheme	-	(1,500)
At the end of the financial year	**202,345,418**	**33,508,268**

14c Terms and conditions of contributed equity

Ordinary Shares

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

14d Capital risk management

When managing capital, management's objective is to ensure the Company continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the company.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, enter into joint ventures or sell assets.

The Company does not have a defined share buy-back plan.

No dividends were paid in 2013 and no dividends are expected to be paid in 2014.

The Company is not subject to any externally imposed capital requirements.

14e Options	**2013 Number**	**2012 Number**
Options outstanding at the end of the financial year		
Unlisted	4,000,000	3,000,000
	4,000,000	**3,000,000**
(i) Unlisted 25 cent options expiring 28 November 2014		
Each option entitles the holder to one share		
▪ Movement of options on issue		
Options outstanding at beginning of the financial year	3,000,000	-
Add: Options issued	-	3,000,000-
Less: Options lapsed	-	-
Options outstanding at end of the financial year	**3,000,000**	**3,000,000**
(ii) Unlisted 16.5 cent options expiring 28 November 2014		
Each option entitles the holder to one share		
▪ Movement of options on issue		
Options outstanding at beginning of the financial year	-	-
Add: Options issued	1,000,000	-
Less: Options lapsed	-	-
Options outstanding at end of the financial year	**1,000,000**	**-**

	2013 $	**2012 $**
15 ACCUMULATED LOSSES		
Accumulated losses at the beginning of the financial year	(21,069,461)	(19,882,811)
Profit/(loss) after income tax benefit for the year	662,952	(1,186,650)
Accumulated losses at the end of the financial year	**(20,406,509)**	**(21,069,461)**

	2013 $	2012 $
16 EARNINGS PER SHARE		
Operating profit/(loss) after tax attributable to ordinary equity holders of the company	662,952	(1,194,002)
Basic earnings per share – profit/(loss)	0.40cents	(0.91cents)
Diluted earnings per share – profit/(loss)	0.40cents	(0.91cents)
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic earnings per share.	149,582,130	130,970,418
Weighted average number of ordinary shares and dilutive options outstanding during the year used in the calculation of diluted earnings per share.	149,582,130	130,970,418

Basic Earnings Per Share

Basic earnings per share is determined by dividing the operating profit after income tax attributable to members of Northwest by the weighted average number of ordinary shares outstanding during the financial year, adjusted for any bonus elements in ordinary shares issued during the year.

Diluted Earnings Per Share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share by taking into account amounts unpaid on ordinary shares and any change in earnings per share that will probably arise from the exercise of options outstanding during the financial year.

17 REMUNERATION OF AUDITORS

Auditors of Parent Entity – BDO

	2013 $	2012 $
Audit or review services	26,750	27,591
	26,750	**27,591**

18 FINANCIAL RISK MANAGEMENT

The group's activities expose it to a variety of financial risks including: interest rate risk, credit risk, price risk, liquidity risk and foreign exchange risk. The group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

Risk management is carried out by the board and the financial risks faced by the group are considered minimal at this stage.

The group and the parent hold the following financial assets:

	2013 $	2012 $
Financial Assets		
Cash and cash equivalents	312,571	282,785
Trade and other receivables	1,299,534	142,753
Available-for-sale financial assets	-	650,000
	1,612,105	**1,075,538**
Financial Liabilities		
Trade and other payables	1,786,030	291,944
	1,786,030	**291,944**

18a Interest Rate Risk

The group and parent's main interest rate risk comes from cash and cash equivalents.

Interest rate sensitivity analysis

The following table represents a summary of the interest rate sensitivity of the Company's financial assets and liabilities at the balance sheet date for the period for a 10% change in interest rates. It is assumed that the change in interest rates is held constant throughout the reporting period.

			-10% change		+10% change	
2013	Weighted average effective interest rate	Carrying amount	Profit	Equity	Profit	Equity
Financial Assets						
Cash and cash equivalents	3.00%	312,571	(938)	(938)	938	938
Financial Liabilities						
Interest bearing liabilities		-	-	-	-	-
Total Increase/(Decrease)			(938)	(938)	938	938

18 FINANCIAL RISK MANAGEMENT (continued)

2012	Weighted average effective interest rate	Carrying amount	-10% change Profit	-10% change Equity	+10% change Profit	+10% change Equity
Financial Assets						
Cash and cash equivalents	6.69%	282,785	(1,892)	(1,892)	1,892	1,892
Financial Liabilities						
Interest bearing liabilities		-	-	-	-	-
Total Increase/(Decrease)		-	(1,892)	(1,892)	1,892	1,892

18b Credit risk

Credit risk arises from cash and cash equivalents and deposits with banks, as well as credit exposures in respect of outstanding receivables and committed transactions. The parent entity is also exposed to credit risk in respect of loans to controlled entities and loans and receivables. The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets.

18c Price risk

The group is not exposed to commodity price risk as the operations of the Company are not yet at the production stage. The group is no longer exposed to equity securities price risk as investments held by the group and classified in the balance sheet either as available-for-sale or at fair value through profit or loss have been sold.

18d Liquidity risk

The Company manages liquidity risk by maintaining sufficient cash reserves. All payables of the Company are due within 6 months.

18e Foreign exchange risk

The Company is not exposed to any foreign exchange risk.

18f Fair value measurements

For other assets and liabilities the net fair value approximates their carrying value. The Company has no financial assets where the carrying amount exceeds net fair values at balance date. The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to the financial statements.

19 CASH

19a Reconciliation of Cash

Cash at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the balance sheet as follows:

	2013 $	2012 $
Cash at bank	312,571	282,785
	312,571	**282,785**

	2013 $	2012 $
19b Reconciliation of Net Cash Used In Operating Activities to Operating Loss after Income Tax		
Operating profit/(loss) after income tax	662,952	(1,194,002)
Depreciation	44,980	47,925
Loss on disposal of plant and equipment	33,523	-
Impairment of convertible notes	-	931,154
Bad debts written off	22,727	-
Share based payment	42,340	232,565
Proceeds from JV agreement	-	(900,000)
Net (gain) on sale of financial assets	(39,187)	-
Movement in assets and liabilities		
Other assets	6,052	23,327
Receivables	(1,217,442)	(44,587)
Mineral exploration and evaluation	(3,326,577)	(2,100,876)
Provisions	8,948	31,744
Payables	154,772	130,803
Net Cash Used In Operating Activities	**(3,606,912)**	**(2,841,947)**

19c Non-cash Investing and Financing Activities

Acquisition of remaining 35% interest in Nullagine (NWR) Holdings Limited by means of equity issue.	-	5,670,000

20 SEGMENT INFORMATION

The consolidated entity operates in only one industry segment being mineral exploration and only one geographical segment being Australia.

21 FINANCE FACILITIES

No credit standby facility arrangement or loan facilities existed at 30 June 2013 (2012: nil).

22 COMMITMENTS FOR EXPENDITURE

22a Exploration Commitments

In order to maintain current rights of tenure to exploration and mining tenements, the consolidated entity has the following minimum exploration expenditure obligations.

	Consolidated	
	2013	**2012**
	$	**$**
Not later than one year	465,720	465,920
Later than one year but not later than two years	465,720	465,920
Later than two years but not later than five years	307,375	307,507
	1,238,815	**1,239,347**

23 KEY MANAGEMENT PERSONNEL

23a Directors and key management personnel

The directors and key management personnel of the Group are:

Directors

Jim Colquhoun	Non-Executive Chairman
John James Merity	Managing Director
Peter Richard	Non-Executive Director

Key management personnel

Allan King	Executive General manager

23b Key management personnel compensation

	2013	**2012**
	$	**$**
Short term employee benefits	647,307	508,461
Post-employee benefits	56,458	44,562
Share based payments	-	157,112
	703,765	**710,135**

Detailed remuneration disclosures are provided in the Remuneration Report.

23 KEY MANAGEMENT PERSONNEL (continued)

23c Equity instrument disclosures relating to key management personnel

(i) Option holdings

The number of options over ordinary shares in the Company held during the financial year by each director of the Company and other key management personnel including their personally related parties are set out below.

2013	Balance at the start of the year	Granted as compensation	Exercised	Other changes	Balance at the end of the year	Vested & exercisable	Unvested
J Colquhoun	1,000,000	-	-	-	1,000,000	1,000,000	-
P Richard	1,000,000	-	-	-	1,000,000	1,000,000	-

2012	Balance at the start of the year	Granted as compensation	Exercised	Other changes	Balance at the end of the year	Vested & exercisable	Unvested
J Colquhoun	-	1,000,000	-	-	1,000,000	1,000,000	-
P Richard	-	1,000,000	-	-	1,000,000	1,000,000	-

(ii) Performance rights holdings

The number of performance rights in the Company held during the financial year by each director of the Company and other key management personnel including their personally related parties are set out below.

2013	Balance at the start of the year	Granted as compensation	Exercised	Other changes	Balance at the end of the year	Vested & exercisable	Unvested
J Merity	5,000,000	-	-	(1,000,000)	4,000,000	-	4,000,000
A King	2,500,000	-	-	(500,000)	2,000,000	-	2,000,000

2012	Balance at the start of the year	Granted as compensation	Exercised	Other changes	Balance at the end of the year	Vested & exercisable	Unvested
J Merity	-	5,000,000	-	-	5,000,000	-	5,000,000
A King	-	2,500,000	-	-	2,500,000	-	2,500,000

23 KEY MANAGEMENT PERSONNEL (continued)

(iii) Share holdings

The number of shares in the Company held during the financial year by each director of the Company and other key management personnel including their personally related parties are set out below. There were no shares granted during the reporting period as compensation.

2013	Balance at the start of the year	Received during the year on exercise of options	Received during the year on exercise of performance rights	Other changes during the year	Balance at the end of the year
J Colquhoun	276,666	-	-	-	276,000
J Merity	2,777,500	-	-	270,000	3,047,500
A King	750,000	-	-	-	750,000

2012	Balance at the start of the year	Received during the year on exercise of options	Received during the year on exercise of performance rights	Other changes during the year	Balance at the end of the year
J Colquhoun	276,666	-	-	-	276,000
J Merity	2,542,500	-	-	235,000	2,777,500
A King	-	-	-	750,000	750,000

23d Loans to Directors

During the financial year, no loans were granted to any directors or key management personnel.

23e Other transactions with key management personnel

The wife of Mr J Merity, a director, is a partner in the law firm DLA Piper. DLA Piper has provided legal services to the Company for several years on normal commercial terms and conditions.

Amounts recognised as expense

	2013 $	2012 $
Legal fees	180,209	170,655

24 SHARE BASED PAYMENT

24a Options

All options granted convert into one ordinary share each on exercise and carry no dividend or voting rights.

(i) Options granted

2013

Grant date	Expiry date	Exercise price	Balance at start of year	Granted during year	Exercised during year	Forfeited during year	Balance at year end	Vested and exercisable at year end
6/12/2011	28/11/2014	$0.25	2,000,000	-	-	-	2,000,000	2,000,000
27/3/2012	28/11/2014	$0.25	1,000,000	-	-	-	1,000,000	1,000,000
12/10/2012	28/11/2014	$0.17	-	1,000,000	-	-	1,000,000	1,000,000

2012

Grant date	Expiry date	Exercise price	Balance at start of year	Granted during year	Exercised during year	Forfeited during year	Balance at year end	Vested and exercisable at year end
6/12/2011	28/11/2014	$0.25	-	2,000,000	-	-	2,000,000	2,000,000
27/3/2012	28/11/2014	$0.25	-	1,000,000	-	-	1,000,000	1,000,000

(ii) Fair value

The fair value at grant date of options granted during the relevant financial year is set out below. The fair value at grant date is determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at date of grant and the expected price volatility of the underlying share and the risk free interest rate for the term of the option.

2013

	Grant date: 12/10/2012
Share price at date of grant	$0.11
Expected share price volatility	103.3%
Risk free interest rate	2.45%
Fair value per option	5.15cents

2012

	Grant date: 6/12/2011	Grant date: 27/3/2012
Share price at date of grant	$0.12	$0.11
Expected share price volatility	120%	113%
Risk free interest rate	3.11%	3.69%
Fair value per option	6.81cents	5.60cents

24 SHARE BASED PAYMENT (continued)

24b Performance Rights Plan

(i) Performance rights granted

The Performance Rights Plan is designed to provide long-term incentives for executives and employees to deliver long-term shareholder returns. Under the plan, participants are granted rights which only vest if certain performance conditions are met. Participation in the plan is at the Board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

2013

Grant date	Expiry date	Performance condition	Balance at start of year	Granted during year	Exercised during year	Forfeited during year	Balance at year end	Vested and exercisable at year end
14/1/2011	14/1/2013	Operational	75,000	-	75,000	-	-	-
22/12/2011	22/6/2013	Operational	500,000	-	-	500,000	-	-
22/12/2011	22/12/2013	Operational	1,000,000	-	-	-	1,000,000	-
22/12/2011	22/12/2014	Operational	1,000,000	-	-	-	1,000,000	-
24/1/2012	24/1/2013	Financial	1,000,000	-	-	1,000,000	-	-
24/1/2012	24/1/2014	Financial	2,000,000	-	-	-	2,000,000	-
24/1/2012	24/1/2015	Operational	2,000,000	-	-	-	2,000,000	-
27/6/2013	27/12/2013	Operational	-	300,000	-	-	300,000	-
27/6/2013	27/6/2016	Operational	-	600,000	-	-	600,000	-
27/6/2013	27/6/2016	Operational	-	600,000	-	-	600,000	-

2012

Grant date	Expiry date	Performance condition	Balance at start of year	Granted during year	Exercised during year	Forfeited during year	Balance at year end	Vested and exercisable at year end
14/1/2011	14/1/2012	Operational	75,000	-	75,000	-	-	-
14/1/2011	14/1/2013	Operational	75,000	-	-	-	75,000	-
22/12/2011	22/6/2013	Operational	-	500,000	-	-	500,000	-
22/12/2011	22/12/2013	Operational	-	1,000,000	-	-	1,000,000	-
22/12/2011	22/12/2014	Operational	-	1,000,000	-	-	1,000,000	-
24/1/2012	24/1/2013	Financial	-	1,000,000	-	-	1,000,000	-
24/1/2012	24/1/2014	Financial	-	2,000,000	-	-	2,000,000	-
24/1/2012	24/1/2015	Operational	-	2,000,000	-	-	2,000,000	-

24b Performance Rights Plan (continued)

(ii) Fair value

2013

Grant date	Expiry date	Number of Rights	Value per Right	Value of Rights	Allocate	Expense to 30/06/2012	Expensed 01/07/2012 - 30/06/2013	Total Expensed to 30/06/2013
14/1/2011	14/1/2012	75,000	$0.15	$11,250	100%	$11,250	-	$11,250
14/1/2011	14/1/2013	75,000	$0.15	$11,250	100%	$8,203	$3,047	$11,250
22/12/2011	22/6/2013	500,000	$0.12	$60,000	100%	$20,912	$39,088	$60,000
22/12/2011	22/12/2013	1,000,000	$0.12	$120,000	-	-	-	-
22/12/2011	22/12/2014	1,000,000	$0.12	$120,000	-	-	-	-
24/1/2012	24/1/2013	1,000,000	$0.12	$250,000	-	-	-	-
24/1/2012	24/1/2014	2,000,000	$0.12	$500,000	-	-	-	-
24/1/2012	24/1/2015	2,000,000	$0.12	$500,000	-	-	-	-
27/6/2013	19/12/2013	300,000	0.04	12,000	1.71%	-	$205	$205
27/6/2013	19/6/2016	600,000	0.04	24,000	-	-	-	-
27/6/2013	16/6/2016	600,000	0.04	24,000	-	-	-	-
						$40,365	**$42,340**	**$82,705**

2012

Grant date	Expiry date	Number of Rights	Value per Right	Value of Rights	Allocate	Expense to 30/06/2011	Expensed 01/07/2011 - 30/06/2012	Total Expensed to 30/06/2012
14/1/2011	14/1/2012	75,000	$0.15	$11,250	100%	-	$11,250	$11,250
14/1/2011	14/1/2013	75,000	$0.15	$11,250	72.91%	-	$8,203	$8,203
22/12/2011	22/6/2013	500,000	$0.12	$60,000	34.85%	-	$20,912	$20,912
22/12/2011	22/12/2013	1,000,000	$0.12	$120,000	-	-	-	-
22/12/2011	22/12/2014	1,000,000	$0.12	$120,000	-	-	-	-
24/1/2012	24/1/2013	1,000,000	$0.25	$250,000	-	-	-	-
24/1/2012	24/1/2014	2,000,000	$0.25	$500,000	-	-	-	-
24/1/2012	24/1/2015	2,000,000	$0.25	$500,000	-	-	-	-
							$40,365	**$40,365**

The assessed fair value at grant date of performance share rights granted to individuals is allocated equally over the period from grant date to vesting date once achievement of performance conditions is probable. The value attached to the performance share right is the share price on the day of issue.

24c Expenses arising from share based payment transactions

Total expenses arising from share based payment transactions recognised during the period were as follows:

	2013 $	2012 $
Options	51,500	192,200
Performance rights	42,340	40,365
	93,840	**232,565**

25 RELATED PARTY TRANSACTIONS

Consultancy fees paid to John L. Merity	-	37,500

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties.

26 SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

Name of entity	Country of incorporation	Class of shares	Equity holding	
			2013 %	2012 %
Nullagine (NWR) Holdings Limited	British Virgin Islands	Ordinary	100	100
Nullagine (NWR) Pty Limited	Australia	Ordinary	100	100
F&P Exploration Pty Limited	Australia	Ordinary	100	100
Nullagine (Exploration) Pty Limited	Australia	Ordinary	100	100

27 INTERESTS IN JOINT VENTURES

Information relating to joint ventures is set out below:

Joint venture	Principal activities	Equity holding	
		2013 %	2012 %
Camel Creek Joint Venture	Exploration and mining of gold	50	50

28 EVENTS OCCURRING AFTER REPORTING DATE

Since the end of the financial year a number of significant events have occurred to strengthen Northwest's financial position.

- Pursuant to an agreement dated 10 May 2013 between Northwest and Titeline Drilling Pty Ltd, the parties agreed to convert $600,000 of drilling fees payable at balance date into 12,000,000 fully paid ordinary shares at a deemed issue price of $0.05 per share.

- On 20 September 2013, Northwest received a R&D Tax Incentive refund for the 2013 financial year, in the amount of $1.15m. This refund is included in the trade receivables in the balance sheet.

- On 23 September 2013, Northwest announced a $1.93 million royalty financing facility relating to the Camel Creek Gold Project. The royalty is a 15% gross revenue royalty over Northwest's entitlement to gold and other minerals extracted from the Camel Creek Gold Project. Future royalty payments will be credited against the loan amount and accrued interest. The royalty will continue after the loan is repaid. The loan is secured by mortgages over Northwest's tenements. These will be released on repayment of the loan. There is no obligation to make loan or interest repayments prior to the royalty becoming payable.

On 30 September 2013, the Company announced its decision to defer completion of the current feasibility studies into the Blue Spec Shear Gold-Antimony Project to enable the Company to focus on evaluating different strategies to realise the significant value in the project. This decision was the result of the continuing unprecedented level of gold price volatility which has contributed to a continuing decline in the equity market for gold juniors and significantly impacted the availability and terms of debt financing for junior companies. As a result of the circumstances of the decision to defer the feasibility assessment and Northwest's continuing evaluation of alternative development options, no impairment charge has been recorded against the carrying value of the project asset in the current year.

29 CONTINGENT LIABILITIES

There are no contingent liabilities as at 30 June 2013 (2012: Nil).

30 PARENT ENTITY FINANCIAL INFORMATION

30a Summary financial information

The individual financial statements for the parent entity show the following aggregate amounts:

	2013 $	2012 $
Balance Sheet		
Current assets	1,668,470	409,544
Total assets	21,912,976	16,648,490
Current liabilities	(1,913,531)	363,930
Total liabilities	(1,969,108)	413,074
Shareholders' equity		
Issued capital	38,538,368	35,457,381
Retained earnings	(18,594,500)	(19,221,965)
	19,943,868	16,235,416
Profit or loss for the year	683,465	(1,172,995)
Total comprehensive income	683,465	(1,172,995)

30b Guarantees entered into by the parent entity

The parent entity has not entered into any financial guarantees as at 30 June 2013 (2012: Nil).

30c Contingent liabilities of the parent entity

The parent entity did not have any contingent liabilities as at 30 June 2013 (2012: Nil).

30d Contractual commitments for the acquisition of property, plant or equipment

The parent entity did not have any contractual commitments for the acquisition of property, plant or equipment as at 30 June 2013 (2012: Nil).

31 NEW ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payment transactions

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Provision for impairment of receivables

The provision for impairment of receivables assessment requires a degree of estimation and judgement. The level of provision is assessed by taking into account the recent sales experience, the ageing of receivables, historical collection rates and specific knowledge of the individual debtors financial position.

Fair value and hierarchy of financial instruments

The consolidated entity is required to classify financial instruments, measured at fair value, using a three level hierarchy, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs). An instrument is required to be classified in its entirety on the basis of the lowest level of valuation inputs that is significant to fair value. Considerable judgement is required to determine what is significant to fair value and therefore which category the financial instrument is placed in can be subjective.

The fair value of financial instruments classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

Estimation of useful lives of assets

The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The consolidated entity assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs to sell or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Income tax

The consolidated entity is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The consolidated entity recognises liabilities for anticipated tax audit issues based on the consolidated entity's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the consolidated entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Long service leave provision

As discussed in note 1, the liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Exploration and evaluation costs

Exploration and evaluation costs have been capitalised on the basis that the consolidated entity will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

Identification of reportable operating segments

The consolidated entity is organised into one operating segment, being mining and exploration operations. This operating segment is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

The CODM reviews EBITDA (earnings before interest, tax, depreciation and amortisation). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported to the CODM is on at least a monthly basis.

32 NEW ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

Any new, revised or amending Accounting Standards and Interpretations that are not yet mandatory have not yet been early adopted.

Management has reviewed all AASB's issued but not yet effective and determined that the AASB's relevant to Northwest Resources are:

AASB 9 Financial Instruments, 2009-11 Amendments to Australian Accounting Standards arising from AASB 9, 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 and 2012-6 Amendments to Australian Accounting Standards arising from AASB 9

This standard and its consequential amendments are applicable to annual reporting periods beginning on or after 1 January 2015 and completes phase I of the IASB's project to replace IAS 39 (being the international equivalent to AASB 139 'Financial Instruments: Recognition and Measurement'). This standard introduces new classification and measurement models for financial assets, using a single approach to determine whether a financial asset is measured at amortised cost or fair value. The accounting for financial liabilities continues to be classified and measured in accordance with AASB 139, with one exception, being that the portion of a change of fair value relating to the entity's own credit risk is to be presented in other comprehensive income unless it would create an accounting mismatch. The consolidated entity will adopt this standard from 1 July 2015 but the impact of its adoption is yet to be assessed by the consolidated entity.

AASB 10 Consolidated Financial Statements

This standard is applicable to annual reporting periods beginning on or after 1 January 2013. The standard has a new definition of 'control'. Control exists when the reporting entity is exposed, or has the rights, to variable returns (e.g. dividends, remuneration, returns that are not available to other interest holders including losses) from its involvement with another entity and has the ability to affect those returns through its 'power' over that other entity. A reporting entity has power when it has rights (e.g. voting rights, potential voting rights, rights to appoint key management, decision making rights, kick out rights) that give it the current ability to direct the activities that significantly affect the investee's returns (e.g. operating policies, capital decisions, appointment of key management). The consolidated entity will not only have to consider its holdings and rights but also the holdings and rights of other shareholders in order to determine whether it has the necessary power for consolidation purposes. The adoption of this standard from 1 July 2013 would only have an impact where the consolidated entity has a holding of less than 50% in an entity, has de facto control, and is not currently consolidating that entity.

AASB 11 Joint Arrangements

This standard is applicable to annual reporting periods beginning on or after 1 January 2013. The standard defines which entities qualify as joint ventures and removes the option to account for joint ventures using proportional consolidation. Joint ventures, where the parties to the agreement have the rights to the net assets will use equity accounting. Joint operations, where the parties to the agreements have the rights to the assets and obligations for the liabilities will account for the assets, liabilities, revenues and expenses separately, using proportionate consolidation. The adoption of this standard from 1 July 2013 will not have a material impact on the consolidated entity.

AASB 12 Disclosure of Interests in Other Entities

This standard is applicable to annual reporting periods beginning on or after 1 January 2013. It contains the entire disclosure requirement associated with other entities, being subsidiaries, associates and joint ventures. The disclosure requirements have been significantly enhanced when compared to the disclosures previously located in AASB 127 'Consolidated and Separate Financial Statements', AASB 128 'Investments in Associates', AASB 131 'Interests in Joint Ventures' and Interpretation 112 'Consolidation - Special Purpose Entities'. The adoption of this standard from 1 July 2013 will not have a material impact on the consolidated entity.

32 NEW ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE (continued)

AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13

This standard and its consequential amendments are applicable to annual reporting periods beginning on or after 1 January 2013. The standard provides a single robust measurement framework, with clear measurement objectives, for measuring fair value using the 'exit price' and it provides guidance on measuring fair value when a market becomes less active. The 'highest and best use' approach would be used to measure assets whereas liabilities would be based on transfer value. As the standard does not introduce any new requirements for the use of fair value, its impact on adoption by the consolidated entity from 1 July 2013 should be minimal, although there will be increased disclosures where fair value is used.

AASB 127 Separate Financial Statements (Revised)
AASB 128 Investments in Associates and Joint Ventures (Reissued)

These standards are applicable to annual reporting periods beginning on or after 1 January 2013. They have been modified to remove specific guidance that is now contained in AASB 10, AASB 11 and AASB 12. The adoption of these revised standards from 1 July 2013 will not have a material impact on the consolidated entity.

AASB 119 Employee Benefits (September 2011) and AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011)

This revised standard and its consequential amendments are applicable to annual reporting periods beginning on or after 1 January 2013. The amendments make changes to the accounting for defined benefit plans and the definition of short-term employee benefits, from 'due to' to 'expected to' be settled within 12 months. The later will require annual leave that is not expected to be wholly settled within 12 months to be discounted allowing for expected salary levels in the future period when the leave is expected to be taken. The adoption of the revised standard from 1 July 2013 is expected to reduce the reported annual leave liability of the consolidated entity.

AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirement

These amendments are applicable to annual reporting periods beginning on or after 1 July 2013, with early adoption not permitted. They amend AASB 124 'Related Party Disclosures' by removing the disclosure requirements for individual key management personnel ('KMP'). The adoption of these amendments from 1 July 2014 will remove the duplication of information relating to individual KMP in the notes to the financial statements and the directors report. As the aggregate disclosures are still required by AASB 124 and during the transitional period the requirements may be included in the Corporations Act or other legislation, it is expected that the amendments will not have a material impact on the consolidated entity.

AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards

The amendments are applicable to annual reporting periods beginning on or after 1 January 2013. The amendments make numerous consequential changes to a range of Australian Accounting Standards and Interpretations, following the issuance of AASB 10, AASB 11, AASB 12 and revised AASB 127 and AASB 128. The adoption of these amendments from 1 July 2013 will not have a material impact on the consolidated entity.

Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine and AASB 2011-12 Amendments to Australian Accounting Standards arising from Interpretation 20

This interpretation and its consequential amendments are applicable to annual reporting periods beginning on or after 1 January 2013 The Interpretation clarifies when production stripping costs should lead to the recognition of an asset and how that asset should be initially and subsequently measured. The Interpretation only deals with waste removal costs that are incurred in surface mining activities during the production phase of the mine. The adoption of the interpretation and the amendments from 1 July 2013 will not have a material impact on the consolidated entity.

32 NEW ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE (continued)

AASB 2012-2 Amendments to Australian Accounting Standards - Disclosures - Offsetting Financial Assets and Financial Liabilities

The amendments are applicable to annual reporting periods beginning on or after 1 January 2013. The disclosure requirements of AASB 7 'Financial Instruments: Disclosures' (and consequential amendments to AASB 132 'Financial Instruments: Presentation') have been enhanced to provide users of financial statements with information about netting arrangements, including rights of set-off related to an entity's financial instruments and the effects of such rights on its statement of financial position. The adoption of the amendments from 1 July 2013 will not have a material impact on the consolidated entity.

AASB 2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities

The amendments are applicable to annual reporting periods beginning on or after 1 January 2014. The amendments add application guidance to address inconsistencies in the application of the offsetting criteria in AASB 132 'Financial Instruments: Presentation', by clarifying the meaning of "currently has a legally enforceable right of set-off"; and clarifies that some gross settlement systems may be considered to be equivalent to net settlement. The adoption of the amendments from 1 July 2014 will not have a material impact on the consolidated entity.

AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle

The amendments are applicable to annual reporting periods beginning on or after 1 January 2013. The amendments affect five Australian Accounting Standards as follows: Confirmation that repeat application of AASB 1 (IFRS 1) 'First-time Adoption of Australian Accounting Standards' is permitted; Clarification of borrowing cost exemption in AASB 1; Clarification of the comparative information requirements when an entity provides an optional third column or is required to present a third statement of financial position in accordance with AASB 101 'Presentation of Financial Statements'; Clarification that servicing of equipment is covered by AASB 116 'Property, Plant and Equipment', if such equipment is used for more than one period; clarification that the tax effect of distributions to holders of equity instruments and equity transaction costs in AASB 132 'Financial Instruments: Presentation' should be accounted for in accordance with AASB 112 'Income Taxes'; and clarification of the financial reporting requirements in AASB 134 'Interim Financial Reporting' and the disclosure requirements of segment assets and liabilities. The adoption of the amendments from 1 July 2013 will not have a material impact on the consolidated entity.

AASB 2012-9 Amendment to AASB 1048 arising from the Withdrawal of Australian Interpretation 1039

This amendment is applicable to annual reporting periods beginning on or after 1 January 2013. The amendment removes reference in AASB 1048 following the withdrawal of Interpretation 1039. The adoption of this amendment will not have a material impact on the consolidated entity.

AASB 2012-10 Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments

These amendments are applicable to annual reporting periods beginning on or after 1 January 2013. They amend AASB 10 and related standards for the transition guidance relevant to the initial application of those standards. The amendments clarify the circumstances in which adjustments to an entity's previous accounting for its involvement with other entities are required and the timing of such adjustments. The adoption of these amendments will not have a material impact on the consolidated entity.

Directors' Declaration

The directors of Northwest declare that in their opinion:

(a) the financial statements and the Remuneration Report in the Directors Report, are in accordance with the Corporations Act 2001, including:

  (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2013 and of its performance for the financial year ended on that date; and

  (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations and *Corporations Regulations 2001*; and

(b) the financial report also complies with International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) as disclosed in Note 1; and

(c) there are reasonable grounds to believe Northwest will be able to pay its debts as and when they become due and payable, subject to the company having crystallised cash funds as detailed in Note 1(q) to facilitate the Company's continued operation as a going concern.

This declaration is made:

(a) after the directors received the declarations required to be made to them in accordance with section 295A of the *Corporations Act 2001* for the year ended 30 June 2013; and

(b) in accordance with a resolution of the directors,

and is signed for and on behalf of the directors pursuant to section 295(5)a of the *Corporations Act 2001 by*:

John Merity

John Merity
Managing Director

30 September 2013

Independent Auditor's Report

BDO

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INDEPENDENT AUDITOR'S REPORT

To the members of Northwest Resources Limited

Report on the Financial Report

We have audited the accompanying financial report of Northwest Resources Limited, which comprises the consolidated statement of financial position as at 30 June 2013, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Northwest Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

(a) the financial report of Northwest Resources Limited is in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2013 and of its performance for the year ended on that date; and

  (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Emphasis of matter

Without modifying our opinion, we draw attention to Note 1q in the financial report, which indicates that the ability of the consolidated entity to continue as a going concern is dependent upon the future successful raising of necessary funding through equity, the obtaining of debt or alternative forms of finance, successful exploration and subsequent exploitation of the consolidated entity's tenements, and/or sale of non-core assets. These conditions, together with other matters as set out in Note 1q and more specifically the receipt of research and development tax incentive refunds amounting to $1,150,000, in addition to the establishment of a royalty financing facility relating to The Camel Creek Gold Project for an amount of $1,930,000 subsequent to year end, supports the consolidated entity's ability to continue as a going concern.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 19 to 21 of the directors' report for the year ended 30 June 2013. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Northwest Resources Limited for the year ended 30 June 2013 complies with section 300A of the *Corporations Act 2001*.

BDO

BDO East Coast Partnership

Jennifer Nairne

Partner

Sydney, 30 September 2013

Auditor's Independence Declaration

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DECLARATION OF INDEPENDENCE BY JENNIFER NAIRNE TO THE DIRECTORS OF NORTHWEST RESOURCES LIMITED

As lead auditor of Northwest Resources Limited for the year ended 30 June 2013, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Northwest Resources Limited and the entities it controlled during the period.

Jennifer Nairne
Partner

BDO.

BDO East Coast Partnership

Sydney, 30 September 2013

Corporate Governance Statement

This statement reports on Northwest's key governance framework, principles and practices as at the date of this report. These principles and practices are reviewed regularly and revised as appropriate to reflect changes in law and best practice in corporate governance.

ASX PRINCIPLES OF GOOD CORPORATE GOVERNANCE

Northwest, as a listed company, must comply with the Corporations Act 2001 (Cth) (**Corporations Act**), the Australian Securities Exchange Limited (**ASX**) Listing Rules (**ASX Listing Rules**) and other Australian laws. ASX Listing Rule 4.10.3 requires ASX listed companies to report on the extent to which they have followed the Principles of Good Corporate Governance and Best Practice Recommendations (**ASX Principles**) released by the ASX Corporate Governance Council. The ASX Principles require the Board to consider carefully the development and adoption of appropriate corporate governance policies and Practices founded on the ASX Principles.

COMPLIANCE WITH ASX PRINCIPLES OF GOOD CORPORATE GOVERNANCE

Details of the Company's compliance with the ASX Principles are set out below. A checklist, cross referencing the ASX Principles to the relevant section of this statement and the Remuneration Report, is provided at the end of this statement.

1. LAY SOLID FOUNDATION FOR MANAGEMENT AND OVERSIGHT

The Board's primary role is to govern the Company and it has established a corporate governance framework which sets out functions reserved for the Board which:

- provides input and approves strategic direction as developed by management;
- clarifies the respective roles and responsibilities of Board members and senior executives and provides effective supervision of management;
- monitors financial and exploration performance;
- approves and monitors capital management, capital expenditure and project development;
- ensures a balance of authority so that no single individual has unfettered powers; and
- identifies significant business risks and ensures that those risks are well managed.

The Board has delegated responsibility for the day to day operation and administration of the Company to the Managing Director having ensured that he is appropriately qualified and experienced to discharge this responsibility. The Board has adopted a Board Charter which supports this delegation of responsibility by formally defining the specific functions reserved for the Board and its Committees and those matters delegated to management. A copy of the Board Charter is available on the Company's website.

2. STRUCTURE THE BOARD TO ADD VALUE

2.1 Composition

The Company has a Board of three directors, comprising two non-executive directors (Mr. Colquhoun and Mr. Richard) and one executive director (Mr. Merity). The Board believes that the current directors have appropriate expertise across a range of sectors including mining, finance, industry, legal and corporate advisory. The Board believes that the current structure of the Board is appropriate given the size and scope of Northwest's operations, and that it serves the Company well. In addition the Board believes it is able to exercise independence and judgment and possesses the necessary skills, expertise and experience required to effectively discharge its duties. The qualifications and skills of each director, together with their period in office are set out in the Directors' Report.

2.2 Independence

Both the Company's Chairman, Mr. Colquhoun and Mr. Richards are independent directors. The Board has accepted the criteria to assess independence of directors provided by the ASX. All directors are subject to the Directors' Code of Conduct which contains comprehensive provisions dealing with the obligations of directors to act independently, honestly, and in the best interests of Northwest as a whole and to avoid conflicts of interest. Compliance with the Code is a term of each director's letter of appointment or employment contract with Northwest. Senior managers not on the Board are regularly involved in relevant Board discussions and directors have the opportunity, both formally and informally, to meet with employees. The Board will continue to monitor its effectiveness to exercise independent judgment and any issues that may arise due to the current balance of executive and non-executive and independent directors.
Northwest will only recommend the appointment of additional directors to the Board where it believes the expertise and value added outweighs the additional cost given the size and scope of Northwest's operations.

2.3 Independent Professional Advice

All directors have the right to seek independent legal and other professional advice concerning their duties or any aspect of Northwest's operations subject to the prior approval of the Chairman which is not to be unreasonably withheld. If the advice is related to the Chairman, then the approval can be provided by an independent non-executive director.

2.4 Nominations

Northwest does not have a separate Nominations Committee and accordingly does not comply with the ASX Principle 2.4.The full Board considers issues that would otherwise be dealt with by a nomination committee including issues of Board renewal and seeks independent advice on Board evaluation.

2.5 Board and Senior Executive Evaluations

The Chairman of the Board is responsible for determining the process for evaluating Board performance, and the performance of its committees and individual directors. The Company does not have a formal process for evaluating the performance of the Board or its committees but rather this is done by informal consultations between the Chairman and the other directors as required . The informal evaluation process aims to produce continuing improvements in Board processes and overall efficiency. In addition, independent directors enter into formal letters of appointment which set out their rights, duties and responsibilities to the Company and all stakeholders. The Managing Director's performance is reviewed annually by the non-executive directors against agreed benchmarks for operational performance, financial and risk management. A performance evaluation was undertaken during the period in accordance with Board practices.

3. PROMOTING ETHICAL AND RESPONSIBLE DECISION MAKING

The Board and the Company's employees are expected to uphold the highest levels of integrity and professional behaviour in their relationships with all of the Company's stakeholders.

3.1 Code of Conduct

The Board has adopted a Code of Conduct which sets out the principles and standards with which all directors and employees are expected to comply in the performance of their respective duties. Compliance with the Code by Directors and employees will also assist Northwest in effectively managing its operating risks and meeting its legal and compliance obligations, as well as enhancing Northwest's corporate reputation.

The Code provides that Directors:

- must act honestly, in good faith and in the best interests of Northwest as a whole;
- have a duty to use due care and diligence in fulfilling the functions of office and exercising the powers attached to that office; and
- have an obligation to be independent in judgment and actions and to take all reasonable steps to be satisfied as to the soundness of all decisions taken by the Board.

In addition, the Code deals with directors' duties in relation to shareholders, creditors, due diligence, conflicts of interest and use of information. The Code and its implementation are reviewed each year. The Code provides for reporting of breaches of the Code by others. A copy of the Code of Conduct is available on the Company's website.

3.2 Diversity

The Board recognises and supports the desirability of gender diversity within the Company but has not adopted a formal policy concerning diversity and accordingly does not comply with ASX Principle 3.2 with respect to gender diversity. The reason for non-compliance is because of both the size and scope of Northwest's operations, as well as the shortage of women with expertise and experience of and incidental to mineral exploration and development at Board and Senior Executive level. At this stage of Northwest's development the Board has not set any measurable objectives for achieving gender diversity.

3.3 Securities Trading

The Board considers that dealing in Northwest's securities by directors, executives and employees has an ethical dimension and accordingly the Board has adopted a policy on dealing in Northwest's securities by such persons which prohibits dealing in Northwest's securities when those persons possess price sensitive information which has not been released to the market generally. The policy not only reflects the prohibitions under the Corporations Act but also reflects ethical considerations. It also requires the Northwest's Chairman to be notified by directors and executives when trading in securities of Northwest occurs. A copy of the Securities Trading Policy is available on the Company's website.

4. SAFEGUARD INTEGRITY IN FINANCIAL REPORTING

The exploration and development of natural resources is a speculative activity that involves a high degree of financial risk. Accordingly, the integrity of Northwest's financial reporting is a critical aspect of Northwest's corporate governance. The Board has implemented policies and systems to verify and safeguard the integrity of the Northwest's financial reporting having regard to Northwest's size and activities Northwest has established an Audit Committee consisting of Mr. Colquhoun and Mr. Richard. The Audit Committee meets as necessary and oversees matters concerning the integrity of the financial statements and financial reporting systems, compliance with financial reporting and related regulatory requirements and evaluating the external auditor's performance. The Audit Committee's role is regulated by an Audit Committee Charter which sets out the Committee's responsibilities. The composition of the Audit Committee does not comply with ASX Principle 4.2 which calls for an audit committee to consist of at least three members who should all be non-executive directors and a majority of whom should also be independent. Northwest's Audit Committee consists of two non-executive and independent directors which reflect the overall size of Northwest's Board which is appropriate given the size and scope of Northwest's operations.

5. MAKING TIMELY AND BALANCED DISCLOSURE

The Board is committed to ensuring that trading in Northwest's securities takes place in an informed market such that shareholders and the investment community has confidence in the quality, timeliness and integrity of the information provided by Northwest. The Board has adopted a formal disclosure policy outlining procedures for compliance with ASX continuous disclosure requirements and to ensure accountability at senior executive level. The policy is based upon the Company's desire to promote fair markets, honest management and full and fair disclosure. The disclosure requirements must be complied with in accordance with their spirit, intention and purpose.

The purpose of the policy is to:

- summarise the Company's disclosure obligations;
- ensure that all price sensitive information is identified;
- identify who is responsible for disclosure; and
- ensure disclosure is made in accordance with obligations under the ASX Listing Rules.

A copy of the Reporting Policy is available in the corporate governance section of Northwest's website.

6. RESPECT THE RIGHTS OF SHAREHOLDERS

The Board recognises that shareholders, as the ultimate owners of the Company, are entitled to receive timely and relevant high quality information about their investment. Similarly, prospective new investors are entitled to be able to make informed investment decisions when considering the purchase of shares in Northwest. The Board has not adopted a formal communications policy and accordingly does not comply with ASX Principle 6.1. The reason for non-compliance is because the Board believes that it complies with the spirit of this principle by the provision of timely ASX announcements, regular updates of the Company's website, and invitations to shareholders to receive regular electronic communications from the Company.

6.1 Reports

The Company ensures that:

- annual reports, quarterly reports, announcements, notices of meeting and other shareholder communications are prepared in a clear and concise manner;
- all disclosures and communications are prepared in accordance with the general and continuous disclosure principles of the ASX Listing Rules and the Corporations Act; and
- that financial reports are prepared in accordance with applicable laws and industry best practice.

6.2 Electronic Communication

The Company maintains a website containing detailed information on Northwest's current exploration projects, corporate and investor information. The website is updated regularly. All announcements and reports provided to the ASX are posted on Northwest's website as soon as they are disclosed to the ASX. When analysts are briefed on aspects of the Company's operations, the material used in the presentation is released to the ASX and posted on Northwest's website.

Shareholders and other interested parties are also encouraged to subscribe to the Company's email alert service where announcements and reports provided to the ASX are emailed directly to subscribers.

6.3 Shareholder Meetings

The Managing Director reports to shareholders at the Company's annual general meeting. All shareholders are encouraged to attend the AGM and use the opportunity to ask questions. Questions can be lodged prior to the meeting and the Company makes every endeavour to respond to these questions.

7. RECOGNISE AND MANAGE RISK

7.1 Approach to Risk Management

The Board believes that the identification and management of risk is an essential has established systems to identify, assess, monitor and manage existing material risks and monitor changes to the Company's risk profile having regard to Northwest's size and activities. The Board regularly monitors and receives advice on areas of business risk from both senior management and external experts.

7.2 Risk Management Systems

Northwest's senior management are required by the Board to develop specific risk management and control systems to become embedded into all the company's business systems in order to manage the Company's material business risks, in areas including exploration, health and safety, environment, legal, reporting and human resources. These systems have been developed to take into account an extensive range of legal and other obligations to all legitimate stakeholders. The Board believes the Company's risks are being managed effectively.

7.3 Management Assurance

In accordance with s.295A of the Corporations Act, the Managing Director has stated in writing to the Board that the Company's financial reports present a true and fair view, in all material respects, of the Company's financial conditions and operational results and are in accordance with the relevant accounting standards. The Managing Director has also stated in writing to the Board that the statement relating to the integrity of the Company's financial statements and notes to the financial statements, is founded on a sound system of risk management and internal control which implements the policies approved by the Board, and that the system is operating effectively in all material respects.

8. REMUNERATE FAIRLY AND RESPONSIBLY

8.1 Remuneration Committee

Northwest has established a Remuneration Committee consisting of Mr. Colquhoun and Mr. Richard. The Remuneration Committee meets more frequently if required and oversees matters concerning the remuneration of the Board, including individual directors and senior executives. The Remuneration Committee provides recommendations and direction for the Company's remuneration practices. The remuneration Committee's role is regulated by the Company's Remuneration Committee Charter which sets out the Committee's responsibilities. A committee member must absent himself from any decisions regarding his own remuneration.

8.2 Remuneration Practices

The Company does not provide any retirement benefits for non-executive directors. The Company also does not have a policy on prohibiting entering into transactions in associated products which limit the economic risk of participating in unvested entitlements under equity-based remuneration schemes as such products do not exist in relation to the Company.

ASX PRINCIPLES COMPLIANCE STATEMENT

		Reference	Compliance
Principle 1:	**Lay solid foundations for management and oversight**		
1.1	Formalise and disclose the functions reserved to the Board and those delegated to management	1	Comply
1.2	Disclose the process for evaluating the performance of senior executives	2.5	Comply
1.3	Provide the information indicated in the Guide to reporting on Principle 1	1, 2.5	Comply
Principle 2:	**Structure the Board to add value**		
2.1	A majority of the Board should be independent Directors	2.1	Comply
2.2	The chair should be an independent director	2.2	Comply
2.3	The roles of chair and chief executive officer should not be exercised by the same individual	2.1	Comply
2.4	The Board should establish a nomination committee	2.4	Non compliant
2.5	Companies should disclose the process for evaluating the performance of the Board, its committees and individual Directors	2.5	Comply
2.6	Companies should provide the information indicated in the Guide to reporting on Principle 2	2.2, 2.3, Directors' Report	Qualified compliance
Principle 3:	**Promote ethical and responsible decision-making**		
3.1	Companies should establish a code of conduct and disclose the code or a summary of the code as to: • practices necessary to maintain confidence in the Company's integrity • the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders • the responsibility and accountability of individuals for reporting and investigating reports of unethical practices	3.1	Comply
3.2	Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the Board to establish measurable objectives for achieving gender diversity and for the Board to assess annually both the objectives and progress in achieving them	3.2	Non compliant
3.3	Companies should disclose in each annual report the measurable objectives for achieving gender diversity	3.2	Non compliant
3.4	Companies should disclose in each annual report the proportion of women employees in the whole organization, women in senior executive positions and women on the Board.	3.2	Non compliant
3.5	Companies should provide the information indicated in the Guide to reporting on Principle 3	3.1, 3.2	Comply

Principle 4:	Safeguard integrity in financial reporting		
4.1	The Board should establish an audit committee	4	Comply
4.2	The audit committee should structured so that it: • consists only non-executive Directors • consists of a majority of independent Directors • is chaired by an independent chair who is not chair of the Board • has at least three members	4	Qualified compliance
4.3	The audit committee should have a formal charter	4	Comply
4.4	Companies should provide the information indicated in the Guide to reporting on Principle 4	4	Comply
Principle 5:	**Make timely and balanced disclosure**		
5.1	Companies should establish written policies and procedures designed to ensure compliance with ASX Listing Rules disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies	5	Comply
5.2	Companies should provide the information indicated in the Guide to reporting on Principle 5	5	Comply
Principle 6:	**Respect the rights of shareholders**		
6.1	Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.	6.1 - 6.3	Qualified compliance
6.2	Companies should provide the information indicated in the Guide to reporting on Principle 6	6	Comply
Principle 7:	**Recognise and manage risk**		
7.1	Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.	7.1	Comply
7.2	The Board should require management to design and implement the risk management and internal control system to manage the Company's material business risks and report to it on whether those risks are being managed effectively. The Board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks.	7.2	Comply
7.3	The Board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with Section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	7.3	Comply
7.4	Companies should provide the information indicated in the Guide to reporting on Principle 7	7.1 - 7.3	Qualified compliance

Principle 8:	**Remunerate fairly and responsibly**		
8.1	The Board should establish a remuneration committee	8.1	Comply
8.2	The remuneration committee should be structured so that it: consists of a majority of independent Directors is chaired by an independent Director has at least three members	8.1	Qualified Compliance
8.3	Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.	Remuneration Report	Comply
8.4	Companies should provide the information indicated in the Guide to reporting on Principle 8	8.1, 8.2	Qualified compliance

Shareholder Information

The information set out below is applicable as at 13 September 2013.

EQUITY SECURITIES

Northwest has 214,345,418 fully paid ordinary shares on issue held by 900 shareholders. Each fully paid ordinary share carries one vote per share with no restrictions. In addition, Northwest has the following unquoted equity securities, each of which convert into one ordinary share on exercise or vesting:

Class	Number	Holders
Options exercisable at 25c before November 2014	3,000,000	3
Options exercisable at 16.5c before November 2014	1,000,000	1
Employee Performance Rights	7,500,000	3

TOP 20 SHAREHOLDERS

Name	Number	%
Gloucester Nominees Limited	45,000,000	20.994
Forty Traders Limited	19,300,277	9.004
Forsyth Barr Custodians Ltd	18,132,720	8.460
Craigside Company Limited	15,000,000	6.998
Greenstone Property Pty Ltd	12,000,000	5.598
Mr William Douglas Goodfellow	6,263,980	2.922
Avalon Investment Trust Ltd	5,335,865	2.489
Archem Trading (NZ) Limited	3,785,483	1.766
Lujeta Pty Ltd	3,400,000	1.586
Mr John James Merity	2,542,500	1.186
Bruce Birnie Pty Ltd	2,422,582	1.130
Decisive Investments Pty Ltd	2,000,000	0.933
Mr Edgar William Preston & Mrs Carol Margaret Preston	2,000,000	0.933
Mr David Michael Baker	1,811,000	0.845
Beaumy Pty Ltd	1,750,000	0.816
Mr Steven Harold Koppe	1,700,000	0.793
Dinwoodie Investments Pty Ltd	1,570,723	0.733
Penn Financial Pty Ltd	1,518,000	0.708
Citicorp Nominees Pty Limited	1,509,413	0.704
Mr Allan Henry King	1,130,000	0.527
	148,172,543	**69.125**

DISTRIBUTION OF SHAREHOLDERS

Ranges	Shareholders	Shares	%
1-1,000	35	4,496	0.002
1,001-5,000	100	379,589	0.177
5,001-10,000	147	1,307,496	0.610
10,001-100,000	457	17,630,800	8.225
100,001-9,999,999,999	168	195,023,037	90.985
Totals	**907**	**214,345,418**	**100.000**

There were 282 shareholders with less than a marketable parcel of $500 worth of ordinary shares.

SUBSTANTIAL SHAREHOLDERS

Northwest's substantial shareholders, as disclosed in substantial shareholder notices given to the company, are:

Name	%
Gloucester Nominees Limited	20.99
Forty Traders Limited	9.00
Forsyth Barr Custodians Ltd	8.46
Craigside Company Limited	6.99

Tenement Information

As at as at 13 September 2013, the Company's interests in mining and exploration tenements, all located in the Nullagine Goldfield in Western Australia, are as follows:

Tenement	Locality	Interest %	Tenement	Locality	Interest %
L46/22	Nullagine, WA	100	PL 46/1674	Nullagine, WA	100
L46/24	Nullagine, WA	100	PL 46/1675	Nullagine, WA	100
L46/109	Nullagine, WA	100	PL 46/1676	Nullagine, WA	100
ML 46/57	Nullagine, WA	100	PL 46/1677	Nullagine, WA	100
ML 46/115	Nullagine, WA	100	PL 46/1678	Nullagine, WA	100
ML 46/165	Nullagine, WA	100	PL 46/1679	Nullagine, WA	100
ML 46/166	Nullagine, WA	100	PL 46/1680	Nullagine, WA	100
ML 46/167	Nullagine, WA	100	PL 46/1681	Nullagine, WA	100
ML 46/182	Nullagine, WA	100	PL 46/1682	Nullagine, WA	100
ML 46/244	Nullagine, WA	100	PL 46/1683	Nullagine, WA	100
ML 46/442	Nullagine, WA	100	PL 46/1684	Nullagine, WA	100
PL 46/1607	Nullagine, WA	100	PL 46/1698	Nullagine, WA	100
PL 46/1608	Nullagine, WA	100	PL 46/1699	Nullagine, WA	100
PL 46/1609	Nullagine, WA	100	PL 46/1700	Nullagine, WA	100
PL 46/1610	Nullagine, WA	100	PL 46/1701	Nullagine, WA	100
PL 46/1611	Nullagine, WA	100	PL 46/1702	Nullagine, WA	100
PL 46/1669	Nullagine, WA	100	PL 46/1703	Nullagine, WA	100
PL 46/1670	Nullagine, WA	100	PL 46/1704	Nullagine, WA	100
PL 46/1671	Nullagine, WA	100	PL 46/1705	Nullagine, WA	100
PL 46/1672	Nullagine, WA	100	PL 46/1706	Nullagine, WA	100
PL 46/1673	Nullagine, WA	100			

All tenements are granted unless indicated otherwise.

L – Miscellaneous Licence
ML – Mining Lease
PL – Prospecting Licence

Corporate Directory

Directors

Jim Colquhoun	Non-Executive Chairman
John James Merity	Managing Director
Peter Richard	Non-Executive Director

Company Secretary
John James Merity

Principal and Registered Office
Suite 8, Level 2
325 Pitt Street
Sydney NSW 2000

Telephone: (02) 9267 7661
Facsimile: (02) 9267 7601

Exploration Office
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South Perth WA 6151

Telephone: (08) 9361 0300

Share Registry
Boardroom Limited
Level 7
207 Kent Street
Sydney NSW 2000

Postal address:
PO Box R67
Royal Exchange
Sydney NSW 1223

Telephone: (02) 9290 9600
Facsimile: (02) 9279 0664
Email: enquiries@boardroom.com.au
Web: www.boardroom.com.au

Auditors
BDO East Coast Practice
1 Margaret Street
Sydney NSW 2000

Australian Business Number
95 107 337 379

Stock Exchange Listing
The Company's fully paid ordinary shares are listed on the Australian Securities Exchange under the code NWR

Northwest Resources Limited
Website: www.nw-resources.com.au
Email: info@nw-resources.com.au

Notes

Northwest Resources Limited

ACN: 107 337 379

ASX code: NWR

www.nw-resources.com.au