

ASX RELEASE

23 September 2013

Camel Creek Gold Project Royalty Finance Facility

Northwest Resources Limited (ASX: NWR, "Northwest") is pleased to announce that it has entered into a \$1.93 million royalty financing facility arranged by Royalty Stream Investments Pty Ltd. The royalty financing is structured as a loan with repayments linked to a gross royalty over Northwest's entitlement to future production from its Camel Creek Gold Project.

Northwest recently reported a maiden Ore Reserve¹ estimate of 1.075Mt @ 1.40g/t Au for 48,300oz of gold for the Camel Creek Joint Venture between Northwest and Millennium Minerals Limited (ASX: MOY, "Millennium") (refer to Northwest's ASX announcement dated 10 September 2013 for further details).

The Camel Creek Joint Venture is a 50:50 mining joint venture between Northwest and Millennium relating to four gold deposits within Northwest's Camel Creek Gold Project. Under the joint venture, which is managed by Millennium, Northwest and Millennium are each entitled to 50% of physical gold produced from 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. The royalty financing facility does not impact upon Millennium's entitlement to gold production under the joint venture.

Key terms of the royalty financing facility:

1. A loan amount of \$1.93 million (before costs) which incurs interest of 15% per annum.
2. A 15% gross revenue royalty over Northwest's entitlement to gold and other minerals extracted from the Camel Creek Gold Project.
3. Future royalty payments will be credited against the loan amount and accrued interest. The royalty will continue after the loan is repaid.
4. The loan is secured by mortgages over Northwest's tenements. These will be released on repayment of the loan.
5. Northwest has a commitment to deliver a minimum of 3,400 ounces of gold under the royalty.

¹ The Ore Reserve was reported in accordance with the 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

Commenting on the announcement, Northwest's Managing Director, John Merity said:

"This royalty finance facility provides important funding to Northwest which does not dilute our shareholders and allows the Company to retain a valuable project asset which is expected to generate strong cash flows.

In a difficult fundraising environment for junior companies, the innovative and professional approach of Royalty Stream Investments to the royalty financing is a vote of confidence in Northwest and our Camel Creek Joint Venture."

For further information, please contact:

John Merity
Managing Director
T: 02 9267 7661
E: jmerity@nw-resources.com.au

About Northwest

Northwest Resources Limited is an Australian mineral exploration and development company with two gold projects located in the Nullagine Goldfield in Western Australia's Pilbara region.

Blue Spec Shear Gold-Antimony Project

Northwest's vision for its flagship project is to bring the high-grade Blue Spec and Gold Spec deposits into production as a narrow vein underground mining operation producing a gold enriched antimony concentrate for direct sale. The Blue Spec & Gold Spec deposits have a current 2004 JORC compliant Mineral Resource estimate of 328,000oz of gold and 7,900 tonnes of antimony (646Kt @ 15.8g/t Au and 1.2% Sb). The Blue Spec Shear Zone is a highly mineralised corridor which is underexplored outside the immediate Blue Spec-Golden Spec area.

Camel Creek Gold Project

The project contains four shallow open pit gold deposits with a total 2004 JORC compliant Mineral Resource estimate of 105,000oz of gold (2.67Mt @ 1.23g/t Au) and a 2004 JORC compliant Ore Reserve of 48,300oz of gold (1.075Mt @ 1.40g/t). In 2012, Northwest agreed a mining joint venture with established operator Millennium Minerals Limited (ASX code: MOY) to bring the Camel Creek deposits into production. Under the joint venture Northwest contributes the four existing gold deposits in the project and Millennium contributes its mining capability and processing plant located in the Nullagine Goldfield. The parties are each entitled to 50% of the physical gold production from the joint venture deposits and will share equally the joint venture mining, processing and rehabilitation costs.

About Royalty Stream Investments Pty Ltd

Royalty Stream Investment Pty Ltd (RSI) is a Sydney based company established in 2012, focused on providing the non-traditional financing tools of Commodity Streaming and Royalties to the mining and energy sectors.

RSI originates and invests in a core range of Royalty Investments, including Royalties, Royalty Bonds and Commodity Streams. With emerging producers finding it more difficult to access equity and debt financing, RSI concentrates on the key sectors of Precious Metals (Au, Ag), Base Metals (Cu, Pb, Zn, Ni) and Energy (Oil, Coal).

In addition to its core sector focus, RSI will evaluate royalty-based investments in various bulk commodities on a case-by-case basis. The founders of the company believe that the provision of this type of financing will complement traditional debt and equity offerings and will be of benefit to both natural resource companies and certain investor groups.

The Principals of RSI (James Morrison and Simon Klimt) each have over 20 years direct experience in financing metals and energy projects in the Australian market, which has provided them a deep understanding of commodity markets through multiple cycles and the ability to draw on experiences from project financing across multiple commodities.

RSI seeks to grow its platform of investments by working closely with investors and natural resource producers to match investors' desire to find alternate ways to gain financial exposure to quality assets, with the financing requirements of producers and developers, so that both sides share equitably in the risk and returns available across the industry.

Competent Person Statement

The information in this announcement that relates to the Camel Creek Joint Venture Ore Reserve is based on information compiled 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 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Tuffin consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

Cautionary Statement

Certain statements in this announcement, including statements regarding the future financial or operating performance of Northwest and estimates, projections and assumptions in respect of gold production and ore reserves constitute forward-looking statements. Forward-looking statements are necessarily based upon a number of estimates and assumptions related to future business, technical economic, market, political, social and other conditions that, while considered reasonable by Northwest, are inherently subject to significant uncertainties and contingencies. Many known and unknown factors could cause actual events or results to differ materially from estimated or anticipated events or results reflected in such forward-looking statements. Readers of this announcement are cautioned that forward looking statements are not guarantees of future performance.