ASX RELEASE

14 March 2013

Further Wide High-Grade Results from Blue Spec & Gold Spec Drilling

Northwest Resources Limited (ASX: NWR, "**Northwest** or the **Company**") is pleased to report outstanding preliminary gold assays from the latest three holes of the diamond drilling program at the Company's flagship Blue Spec and Gold Spec gold-antimony deposits. The intersections of the reported holes are some of the widest recorded by Northwest at both Blue Spec and Gold Spec.

Gold Spec

- **8.4m @ 24.4 g/t Au** bulk assay grade (down hole) from 145m vertical depth (**VD**)
- **2.4m @ 15.3 g/t Au** bulk assay grade (down hole) from 217m VD

Blue Spec

- **4.7m @ 13.9 g/t Au** bulk assay grade (down hole) from 368m VD

The assays reported above are the bulk head grade gold assays from metallurgical testing which is being undertaken on the diamond drilling program samples prior to the normal geochemical assaying which will be utilised for Blue Spec and Gold Spec resource modelling. The metallurgical testwork program is detailed at the end of this announcement.

Although the method of analysis for gold is the same for both metallurgical and geochemical assays, the final geochemical assays may vary slightly from the bulk head grade assays reported here. The final geochemical assay results for gold and results for antimony are expected to be reported within 2 weeks. A table of the presented drilling results in set out at the end of this announcement.

The metallurgical testwork which is an important element of Northwest's Definitive Feasibility Study (**DFS**) process has significantly extended the usual timelines for reporting final assays from the current diamond drilling program.

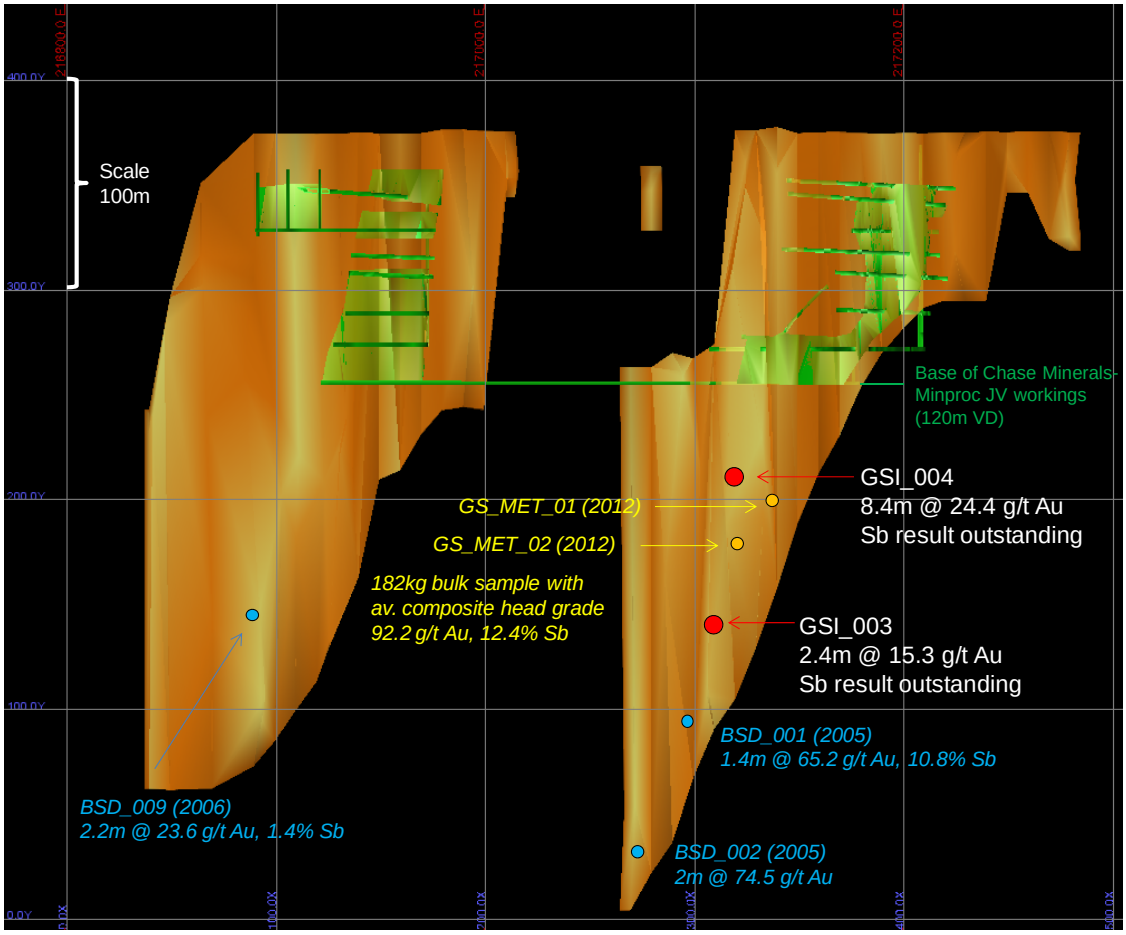
Gold Spec

Holes GSI_004 (**8.4m @ 24.4 g/t Au**) and GSI_003 (**2.4m @ 15.3 g/t Au**) intersected a strongly mineralised zone of brecciated, stibnite-bearing quartz reef approximately 40m and 100m (respectively) from the base of the historical workings at the 120 VD level (see Figure 1). This zone is typical of the high-grade component of the Gold Spec ore body.

The reported Gold Spec intercepts lie above and below the 6 diamond drill hole intersections used by Northwest to collect a bulk ore sample for the initial phase of metallurgical testwork on Gold Spec ore in 2012 (GS_Met_01 & 02 parent holes and 4 wedge holes). The 6 metallurgical drill holes provided a total bulk ore sample of 182kg which had an average composite head grade of **92.2 g/t Au and 12.4% Sb**.

The reported intersections together with the composite grade of the bulk metallurgical samples highlight the exceptional grade carried in the eastern element of the Gold Spec deposit. It is notable that the Chase Minerals-Minproc JV feasibility study for mining the eastern lode of Gold Spec from 1986-88 was based on mining **25,900t @ 33.7 g/t Au and 1.8% Sb**.

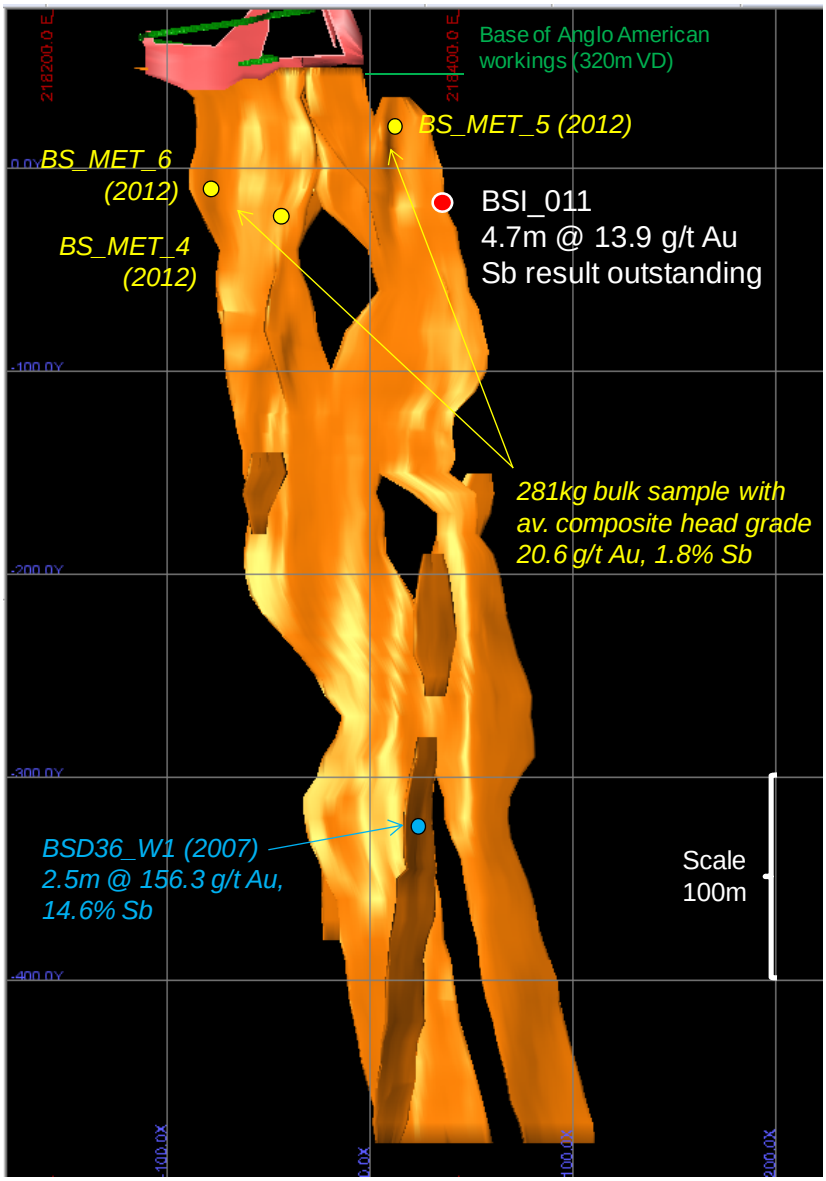
Figure 1. Gold Spec long section



Blue Spec

Hole BSI_011 (**4.7m @ 13.9 g/t Au**) intersected a very strongly-mineralised zone of massive stibnite and stibnite-bearing quartz reef approximately 70m from the base of the historical Anglo-American workings at the 320m VD level (see Figure 2). The position of the intercept on the far eastern margin of the current Mineral Resource model will allow the strike length of the deposit at the intersection point to be increased in the updated resource model.

Figure 2. Blue Spec long section



It is also significant to note that the latest intercept is hosted in coarse grained, quartz-rich sandstone which represent a strong contrast to graphite-rich siltstones which host the majority of the Blue Spec Shear mineralisation. Northwest has previously reported one similarly hosted intersection of **2m @ 156 g/t Au and 26% Sb** (BSD_36W1) in a splay zone, and the new intercept appears to be located at the intersection of the projected splay lode and Blue Spec Shear. The quartz-rich sandstones are also being recognised as an additional control on splay lode mineralisation.

The Blue Spec intercept reported above lies to the east of the 10 diamond drill hole intersections used by Northwest to collect a bulk ore sample for the initial phase of Blue Spec metallurgical testwork in 2012 (BS_Met_04, 05 & 06 parent holes and 7 wedge holes). The 10 metallurgical drill holes provided a total bulk ore sample of 281kg which had an average composite head grade of **20.6 g/t Au and 1.8% Sb**.

Update on diamond drilling program and pending assays

The 8,000m diamond drilling program at Blue Spec and Gold Spec has now been completed.

In order to meet resource modelling and metallurgical testwork needs discussed below, Northwest's normal assay processes, in particular, sample preparation were changed significantly. The additional metallurgical testwork which is critical to the Northwest's DFS process has significantly extended the usual timelines for reporting final assays from the current diamond drilling program.

Four holes remain to be reported from the Blue Spec drilling program and 11 holes remain to be reported from the Gold Spec drilling program. The remaining holes are at various stages in the metallurgical testwork and final assay process and Northwest will expedite and report preliminary gold assays as soon as possible.

Metallurgical testwork

As part of Northwest's DFS process, the diamond drilling program was undertaken to increase drill hole density within the current Blue Spec and Gold Spec resource models in order to improve the Mineral Resource classification to Indicated at both deposits over a substantial vertical strike extent under historical workings to underpin the investment case for the project. As part of the modelling upgrade, the Blue Spec and Gold Spec ore bodies will be separately modelled for gold, antimony, iron and sulphur and will require re-assay of old samples to gather data on iron and sulphur that was not included in the previous resource model.

In addition, following the final results from the first round of metallurgical testing in 2012, it was also decided that the current diamond drilling program would provide valuable, additional data in this area for the DFS particularly considering the large grade variability in the original metallurgy samples.

The metallurgical testing which is being undertaken on the diamond drilling program samples prior to the normal geochemical assaying involves samples being put through a gravity and full, 3 pass flotation sequence to determine recovery predictions. The feed grades and recovery of gold, antimony, iron and sulphur will be used as an overall guide for recovery predictions from the ore estimates of the new resource models that will include the latest drilling results.

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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 (100%)

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 JORC compliant Mineral Resource estimate of **328,000 oz 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. Northwest believes that the initial 5 year project life based on development of the Blue Spec and Gold Spec deposits can be substantially increased through discovery of additional high-grade deposits along the shear.

The Camel Creek Gold Project (50% Current Mineral Resources; 100% exploration rights)

The project contains four shallow open pit gold deposits with a total JORC compliant Mineral Resource estimate of **105,000oz of gold** (2.67Mt @ 1.23g/t Au). In 2012, Northwest finalised a production joint venture with established miner 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 Camel Creek deposits and will share equally the joint venture mining, processing and rehabilitation costs.

Table: Preliminary metallurgical assays – Au only

Hole	MGA East	MGA North	Depth (m)	Dip	MGA Azimuth	From (m)	To (m)	Interval (m)	Au (g/t)
GSI_003	217105.00	7584287.00	250	-75	175	222.40	224.80	2.40	15.4
GSI_004	217105.00	7584280.00	200	-71	165	151.60	160.00	8.40	24.4
BSI_011	218250.90	7584704.20	460	-59	143	439.80	444.50	4.70	13.9

Notes:

1. Collars surveyed by Northwest using DGPS (50cm accuracy); MGA 1994 Zone 51
2. NQ diameter diamond core; whole core sampling; all intervals downhole lengths
3. Significant intercepts calculated by minimum 1.0 Au gram metres (Au g/t x interval length) using length weighted averages
4. Whole core samples sized crushed, split, pulverised by ALS Metallurgy, Balcatta.
5. Preliminary assays Au 25g Fire Assay with ICP-MS finish; 0.02ppm detection, ALS Metallurgy, Perth

Competent Person Statement

The information in this announcement relating to Exploration Results and Mineral Resources is based on information compiled by Mr. Charles Gillman (MAIG) who is a full-time employee of Northwest 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. Gillman consents to the inclusion in this announcement of the material based on his information in the form and context in which it appears.