



Northwest

ASX RELEASE

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Blue Spec Shear Gold-Antimony Project Update and Next Steps

Northwest Resources Limited (ASX: NWR, “Northwest” or “the Company”) is pleased to provide an update on development plans for the Company’s flagship Blue Spec Shear Gold-Antimony and to outline the next steps towards completing a definitive feasibility study on the project by the end of 2012.

Northwest’s vision for the Blue Spec Shear Gold-Antimony Project is to bring the Blue Spec and Gold Spec deposits into production in 2013 as a high-grade narrow vein underground mining operation producing a gold enriched antimony concentrate for direct sale and then to expand the project through the discovery of additional high-grade deposits along the shear zone.

Definitive feasibility study

Following very positive results from both the recently released Mining Study and first phase Metallurgical Study flotation tests for the Blue Spec Shear Gold-Antimony Project, Northwest has committed to completing a definitive feasibility study on the project by the end of 2012.

Key next steps include:

Mining studies

Progressing discussions with mining contractors and equipment suppliers following Northwest’s call for expressions of interest in late 2011 to participate in the project.

Completing of backfill options and geotechnical studies.

Refining the production schedule to optimise product delivery for off-take partners.

Metallurgical studies

Undertaking further testwork to refine flotation sequencing and re-agent combinations to maximise both gold recovery to concentrate and concentrate antimony grade.

Designing a processing flowsheet based on metallurgical testwork results to date to produce a gold enriched antimony concentrate.

Preparing preliminary capital and operating costs estimates for a 250,000 tpa conventional gravity/flotation treatment plant on site based on the process flowsheet.

Finalising detailed plant design and engineering studies and capital cost estimates for a treatment plant and other site infrastructure.

Concentrate marketing activities

Northwest expects shortly to appoint a specialist marketing agent for the sale of the Company's gold enriched antimony concentrate production from the Blue Spec Shear Gold-Antimony Project.

Discussions have commenced with potential Chinese concentrate off-take partners. Northwest will continue to work with potential off-take partners to design a concentrate product that meets their requirements.

Shipping and port options for concentrate transport are being evaluated and will be finalised following the conclusion of negotiations with potential off-take partners.

Senior staff recruitment

Northwest is currently recruiting for staff for senior technical roles in the Company and aims to have the core senior operating management team in place by year end.

Environmental studies and regulatory permitting

Two year baseline flora and fauna studies over the project area will be completed this year. No significant environmental issues have been identified to date. Hydrology studies are also underway.

Regulatory permitting is expected to be completed in early 2013.

For further information, please contact:

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