



Northwest

28 October 2009

Dear Fellow Shareholder,

The 2009 Annual General Meeting

Enclosed is your 2009 Notice of Annual General Meeting which sets out the resolutions to be put before the meeting and provides information on each resolution.

This year the AGM will be held in Sydney on Friday, 27 November 2009 and I hope as many shareholders as possible will be able to attend.

If you are not attending the AGM, you can lodge your personalized completed proxy form by returning it in the enclosed envelope or alternatively by facsimile.

The Annual Report

As with last year, an online interactive version of the 2009 Annual Report is available to view and download from our website at www.nw-resources.com.au. When you access the Company's Annual Report on-line, you can view it, search for specific information and print a copy of the Annual Report.

I encourage shareholders to access the Annual Report online as this not only reduces costs to the Company but also provides benefits to the environment.

Shareholders who wish to receive a printed copy however, can request one free of charge by contacting the Company by telephone: (02) 9267 7661 or by email: info@nw-resources.com.au.

Yours faithfully,

Jim Colquhoun
Chairman



Northwest

NOTICE OF ANNUAL GENERAL MEETING and Explanatory Memorandum

Annual General Meeting information:

Date: Friday, 27 November 2009

Time: 12.00pm

Location: Boardroom, Level 14, 327-329 Pitt Street , Sydney

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting (**AGM**) of shareholders of Northwest Resources Limited (**Northwest** or the **Company**) will be held in the Boardroom, Level 14, 327-329 Pitt Street, Sydney, on Friday, 27 November 2009 commencing at 12.00pm for the purposes of transacting the following business referred to in this Notice of Annual General Meeting.

The Explanatory Memorandum that accompanies and forms part of this Notice of Annual General Meeting provides information in relation to each of the matters to be considered.

This Notice of Annual General Meeting and Explanatory Memorandum should be read in its entirety. If shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

The business of the AGM is as follows:

Receipt of Financial, Directors' and Audit Reports

"To receive and consider the Financial Report of the Company and its controlled entities, together with the Directors' Report and the Audit Report for the year ended 30 June 2009."

Resolution 1 – Adoption of the Remuneration Report

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That the Remuneration Report (which forms part of the Directors' Report) for the year ended 30 June 2009 be adopted."

Resolution 2 – Re-Election of Mr. James Colquhoun as a Director

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That James Colquhoun, who being eligible offers himself for re-election as a Director, be elected as a Director."

Voting Entitlement

For the purposes of determining voting entitlements at the AGM, shares will be taken to be held by the persons who are registered as holding the shares at 5.00pm (Sydney time) on Wednesday, 25 November 2009 (the **Entitlement Time**). Accordingly, only those persons registered as holders of shares at the Entitlement Time will be entitled to attend and vote at the AGM.

Proxy Instructions

1. A shareholder entitled to attend and vote at a general meeting may appoint not more than two proxies to attend such meeting and vote on behalf of the shareholder. A proxy need not be a shareholder. Where more than one proxy is appointed, each proxy may be appointed to represent a specified proportion or number of the shareholder's votes. If no such proportion is specified, each proxy may exercise half of the shareholder's votes.
2. A proxy form must be signed by a shareholder (or its attorney) and does not need to be witnessed. If the shareholder is a corporation, the proxy form must be executed in accordance with that corporation's constitution or by a duly authorised attorney. If a share is held jointly a proxy form may be signed by any one of the joint holders.
3. The proxy form and any power of attorney or other authority (if any) under which it is signed (or a certified copy) must be received by the Company's share registrar, Registries Limited at least 48 hours before the time for holding the meeting, at:

Hand deliveries: Level 7
 207 Kent Street
 Sydney NSW 2000

Postal address: GPO Box 3993
 Sydney NSW 2001

Fax number: (02) 9279 0664

4. A proxy may decide whether to vote on a resolution, except where the proxy is required by law or the Company's Constitution to vote or abstain from voting, in their capacity as a proxy. If a proxy is directed how to vote on an item of business, the proxy may vote on that item only in accordance with that direction. If a proxy is not directed how to vote on an item of business, a proxy may vote as he or she thinks fit. If a shareholder appoints two proxies and the appointments specify different ways to vote on a resolution, neither may vote on a show of hands.

Enquiries

Shareholders are invited to contact the Company on (02) 9267 7661 if they have any queries in respect of the matters set out in this notice.

By Order of the Board

28 October 2009

EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared for the information of shareholders in connection with the Annual General Meeting (**AGM**) of shareholders to be held in the Boardroom, Level 14, 327-329 Pitt Street, Sydney, on Friday, 27 November 2009 commencing at 12.00pm.

This Explanatory Memorandum should be read in conjunction with the accompanying Notice of Annual General Meeting.

Receipt of Financial, Directors' and Audit Reports

Northwest's Constitution and the Corporations Act 2001 (Cth) require the Financial Report, the Directors' Report, the Directors' Declaration and the Audit Report (the **Reports**) to be received and considered at the meeting.

The Reports are contained in the 2009 Annual Report and the Company has set up an online interactive version of the Annual Report on the Company's website at www.nw-resources.com.au which shareholders are encouraged to view. Shareholders may also contact the Company to request, free of charge, a hard copy of the Annual Report.

No vote will be taken on the Reports. However, shareholders attending the AGM will be given a reasonable opportunity to ask questions about, or make comments on, the Reports.

Resolution 1 – Adoption of the Remuneration Report

The Corporations Act requires the Company to include in the Directors' Report a Remuneration Report setting out certain prescribed information relating to directors' and executives' remuneration, and submit this for adoption by resolution of the shareholders at the AGM.

The Remuneration Report discusses matters including Board policies for determining the remuneration of directors and executives and remuneration details of the directors and executives of the Company.

Under the Corporations Act, the vote on this resolution is advisory only and does not bind the directors of the Company. Notwithstanding this, the Board is cognisant of current investor attitudes towards executive remuneration and will take the outcome of the vote into consideration when reviewing and setting the remuneration policies in subsequent years.

Resolution 2 – Re-Election of Mr. Jim Colquhoun as a Director

This year, by rotation Mr. Colquhoun, the Company's Chairman resigns and being eligible seeks re-election as a director.

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 Mt Gipps Limited and Stelmara Biomedical Limited.

Mr. Colquhoun is Chairman of Northwest's Remuneration Committee and Audit Committee.

The Directors, other than Mr. Colquhoun, recommend that shareholders vote in favour of this resolution. Mr. Colquhoun, because of his interest, makes no recommendation in relation to this resolution.