

NORWEST MINERALS LIMITED

ABN: 72 622 979 275

INTERIM FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2018

NORWEST MINERALS LIMITED

31 DECEMBER 2018

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Norwest Minerals Ltd

Company Directory

DIRECTORS:	Mr Benjamin Bell Mr Michael Tilley Mr Ching Hong Loong Mr Kok Hou Leong Mr Yew Fei Chee
KEY MANAGEMENT:	Mr Charles Schaus
COMPANY SECRETARY:	Mr Oliver Carton
REGISTERED AND PRINCIPAL OFFICE:	Suite 1a 1 st Floor, 7 Ventnor Avenue, West Perth, WA 6005 Telephone: +61 8 6117 0457
ABN:	72 622 979 275
COMPANY WEBSITE ADDRESS:	https://www.norwestminerals.com.au/
AUDITORS:	BDO Audit (WA) Pty Ltd 38 Station St Subiaco, WA 6008 Email info.perth@bdo.com.au Office phone number +61 8 6382 4600
SHARE REGISTRY:	Automic Group Pty Ltd Level 5 126 Phillip Street Sydney NSW 2000 Telephone: 1300 288 664 or +61 2 9698 5414
ASX CODE:	NWM

**Norwest Minerals Ltd
Directors' Report
Half Year Ended 31 December 2018**

The Directors present their report on Norwest Minerals Ltd ('the Company' or 'Norwest') at the end of, or during, the half-year ended 31 December 2018.

Directors and key personnel

The names of the directors and key personnel who held office during or since the end of the half-year are:

Michael Tilley, Chairman

BA(Accountancy), FCA, FAICD

Appointment date: 7 September 2018

Mr. Tilley is the Chairman and a founding director of Terrain Capital Limited. He has worked in the accounting and finance industries for more than 40 years and he has a broad range of senior advisory and project management experience in all facets of corporate finance. He is or has previously served as director of Yarra Valley Water Limited, a member of Vision Super Pty Ltd and the Industry Fund Management Pty Ltd Investor Advisory Board. He also served on the boards of a number of exploration and mining companies during his long career and was a director of North Queensland Metals from 2006 – 2010. He is currently a non-executive director of Kogi Iron Limited, an ASX-listed company with the intent to build a cast steel plant on the Agbaja Plateau in Kogi State, Nigeria.

Special responsibilities- Nil

Charles Schaus, Chief Executive Officer

BSc (Geology)

Appointment date: 25 June 2018

Mr. Schaus is a geologist and has been a director of a number of companies. He has significant corporate and technical experience in the metals and mining industry. He has held key technical positions in WA mining companies, including Newmont Mining Corporation, Newcrest Mining Limited, Eagle Mining Limited and also consulted in Ghana for 18 months. In 2003, Charles founded Aurox Resources Limited, and was its managing director. In 2010, he successfully merged Aurox Resources Limited with Atlas Iron Limited in a scheme of arrangement valuing Aurox at over \$130 million. He spent the following 5 years as Chairman of Plymouth Minerals Limited (now Infinity Lithium Corporation Ltd).

Special responsibilities- Nil

Benjamin Bell, Non-Executive Director

BSc, MMET, MBA

Appointment date: 21 November 2017

Benjamin Bell has more than 20 years' experience as a geologist and geophysicist in the minerals industry. Mr Bell joined the Australian Mines Limited as Chief Executive Officer on 8 November 2011 and was subsequently appointed as Managing Director in January 2012. Previously Mr Bell was CEO of Ausgold Limited and has held senior exploration roles to other ASX-listed gold and base metal explorers.

Special responsibilities- Nil

Ching Hong Loong, Non-Executive Director

Appointment date: 7 September 2018

Mr. Loong is presently the Group General Manager of Selangor Dredging Berhad, a property development company listed on the Kuala Lumpur Stock Exchange. He also holds directorships in the subsidiary and associated

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companies of Selangor Dredging Berhad. He is a member of the Malaysian Institute of Accountants and a Fellow Member of the Association of Certified Chartered Accountants, United Kingdom.

Special responsibilities- Nil

Kok Hou Leong, Non-Executive Director

BEng

Appointment date: 7 September 2018

Mr. Leong graduated from the University of Arkansas Fayetteville with a Bachelor Degree in Civil Engineering in 2000. Soon after his graduation, he joined the Intergreen Group of Companies in Malaysia. Presently, he is the managing director of the Intergreen Group. The Intergreen Group is a leading supplier of steel-related products, services and solutions in Malaysia. Its products are sourced from all over the world, ranging from ferrous and non-ferrous scraps, iron ore, ferro alloys, coke, anthracite, refractories, primary and secondary steel products, raw materials for steel making and equipment for metallurgical industries. Intergreen Group's business network covers the ASEAN, South Asia, North Asia, Middle East, Africa, Asia Pacific, North America and the European Union regions.

Special responsibilities- Nil

Yew Fei Chee, Non-Executive Director

Appointment date: 1 August 2018

Mr. Chee obtained a diploma from Taylor's College Subang Jaya, Malaysia in December 1987.

Mr. Chee has extensive experience in the iron ore mining industry in Malaysia. He has undertaken various iron ore mining and processing projects since the early 2010's and have built up his reputation and portfolio in the industry in Malaysia.

Presently he is the controlling shareholder and CEO of Fortress Mining Sdn Bhd, a company incorporated in Malaysia. Fortress Mining is currently mining and exporting high grade iron ore concentrate from its Bukit Besi Mine in Terengganu, Malaysia to steel mills in China.

Special responsibilities- Nil

Dominic Marinelli, Non-Executive Director

MBA, BEng, PGD Sc

Resigned: 7 September 2018

Dominic Marinelli has over 22 years of corporate fundraising and mergers and acquisition experience covering a wide range of industries including resources and other emerging technologies. Mr Marinelli is a Director of Terrain Capital Limited, West Africa Coal Pty Ltd and Australian Stock Exchange listed Australian Mines Limited.

Special responsibilities- Nil

Michael Elias, Non-Executive Director

BSc(Hons), FAusIMM, CPGeo

Resigned: 7 September 2018

Michael Elias has more than 35 years of extensive, international experience in all aspects of nickel resource development in both laterites and sulphides, from project generation and evaluation, exploration planning and management, development studies, open cut and underground mine geology, resource/reserve estimation, and resource economics. He has been a Principal Consultant with mining consultancy CSA Global Pty Ltd since 2001.

He previously held the positions of Chief Geologist – WA Nickel Operations and Chief Geologist – Nickel Resource Development at WMC Resources Ltd and was a director of Silver Swan Group Ltd until his resignation on 19

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November 2012. Mr Elias holds a Bachelor of Science (Honours) in Geology from the University of Melbourne and is a Fellow of the Australasian Institute of Mining and Metallurgy.

Special responsibilities- Nil

Michael Ramsden, Non-Executive Director

BEC, LLB, FFIN

Resigned: 7 September 2018

Michael Ramsden is a lawyer with more than 25 years' experience as a corporate advisor. He has been involved with all forms of finance, including money markets, futures trading, lease finance, trade finance and foreign exchange. Mr Ramsden is the Managing Director of Terrain Capital in Australia and is Chairman of and Australian Stock Exchange listed Australian Mines Limited. Mr Ramsden has previously worked for international companies including CIBC Australia, JP Morgan and Scandinavian Pacific Investments Limited. He is also a director of the Victoria Racing Club, Chairman of Lowell Capital Ltd and formerly Chairman of Terrain Australia Ltd and Director of D&D Tolhurst Ltd.

Special responsibilities- Nil

Information of Company Secretary

Oliver Carton

Appointment date: 1 January 2018

Oliver is a qualified lawyer with over 30 years' experience in a variety of corporate roles. He is currently a director or company secretary of a number of listed, unlisted and not for profit entities such as the Melbourne Symphony Orchestra and Australian Mines Limited. He currently runs his own consulting business and was previously a Director of the Chartered Accounting firm KPMG. Prior to that, he was a senior legal officer with ASIC.

Principal activities

During the period the principal continuing activities of the Company were engaging in the business of seeking to exploit and mine natural resources.

The Company acquired various Western Australian tenements from third parties and its then parent company, Australian Mines Limited during the period.

Operating results

The net loss for the period ended 31 December 2018 after providing for income tax rounded to the nearest dollar is \$1,821,846 (2017: \$13,252).

Review of operations

Fieldwork has been completed across four of the company's five West Australian gold and base metals projects during the period. Prior to Norwest's 29 November 2018 listing on the ASX, surface sampling programmes were completed at the Bali, Warriedar and Marymia projects and a geophysical programme undertaken at the Arunta West project. The results were reported by the then parent company Australian Mines Limited, which at that time was in the process of spinning these assets into Norwest Minerals to list the company on ASX. Subsequent to Norwest's successful listing on ASX, further exploration was completed which included reverse circulation (RC) drilling, aircore drilling, surface sampling as well as airborne electromagnetics/magnetics and ground magnetics. A description of the recent exploration activities at Warriedar (and the nearby Ninghan tenements), the Bali project and the Arunta West project are discussed below.

Note: All reference notes relating to the project work described below are listed in the Quarterly Activities Report for the Period Ending 31 December 2018.

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Warriedar Gold Project - (100%)

The 100%-owned Warriedar Gold Project, located 125 kilometres southwest of Mount Magnet in Western Australia, has a number of drill-ready targets including the project's historic Reid's Ridge Gold Mine and the Mount Laws 1.5-kilometre mineralised trend. In late November the Company commenced its first on ground exploration programme at Warriedar which included reverse circulation (RC) drilling, soil sampling and a ground magnetic survey.

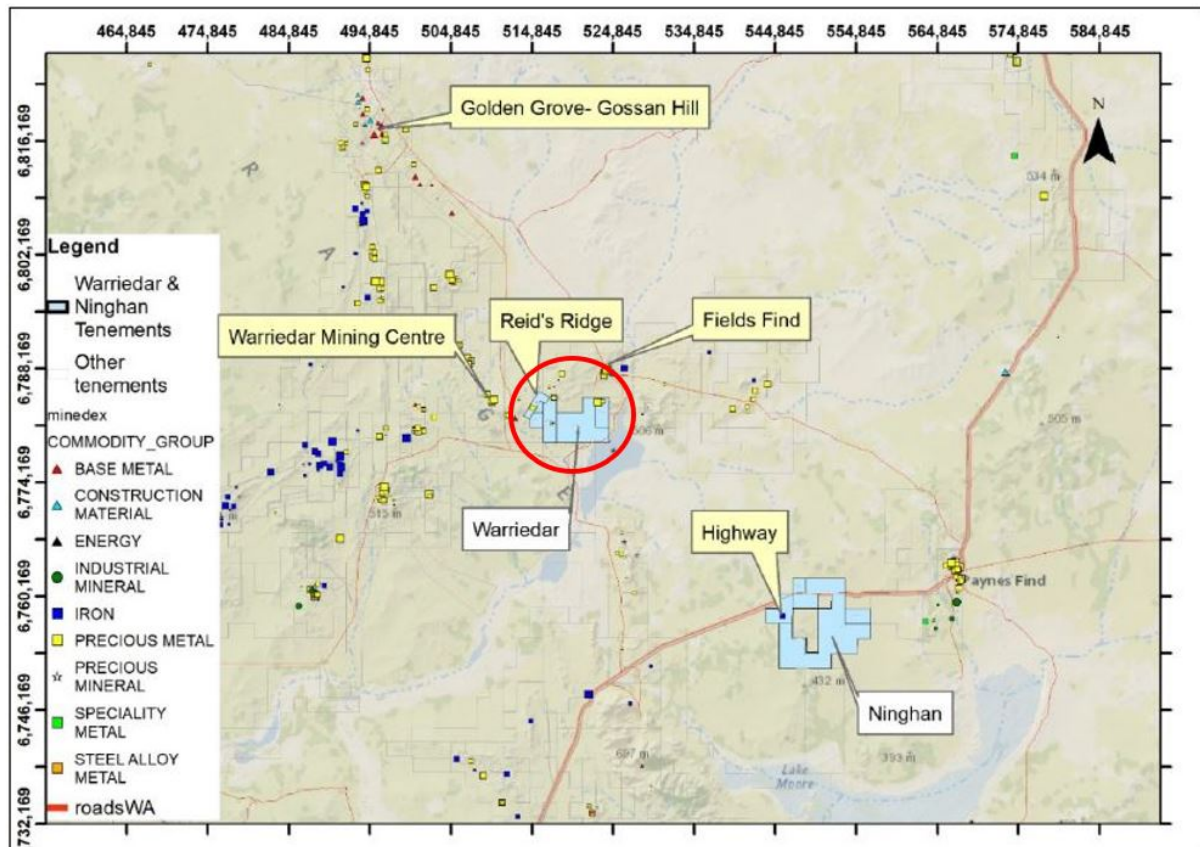


Figure 1: Location of Warriedar project tenements near Paynes Find, WA.

RC Drilling

RC drilling at Mount Laws targeted untested gold mineralisation downdip of intercepts encountered in historical rotary air blast (RAB) and RC drilling. The recent RC drilling also tested below old gold workings and anomalous gold zones along the 1.5-kilometre Mount Laws gold trend where earlier this year a number of high-grade gold results including rock chips assaying up to 28.6 grams per tonne gold were collected during surface sampling and mapping work.

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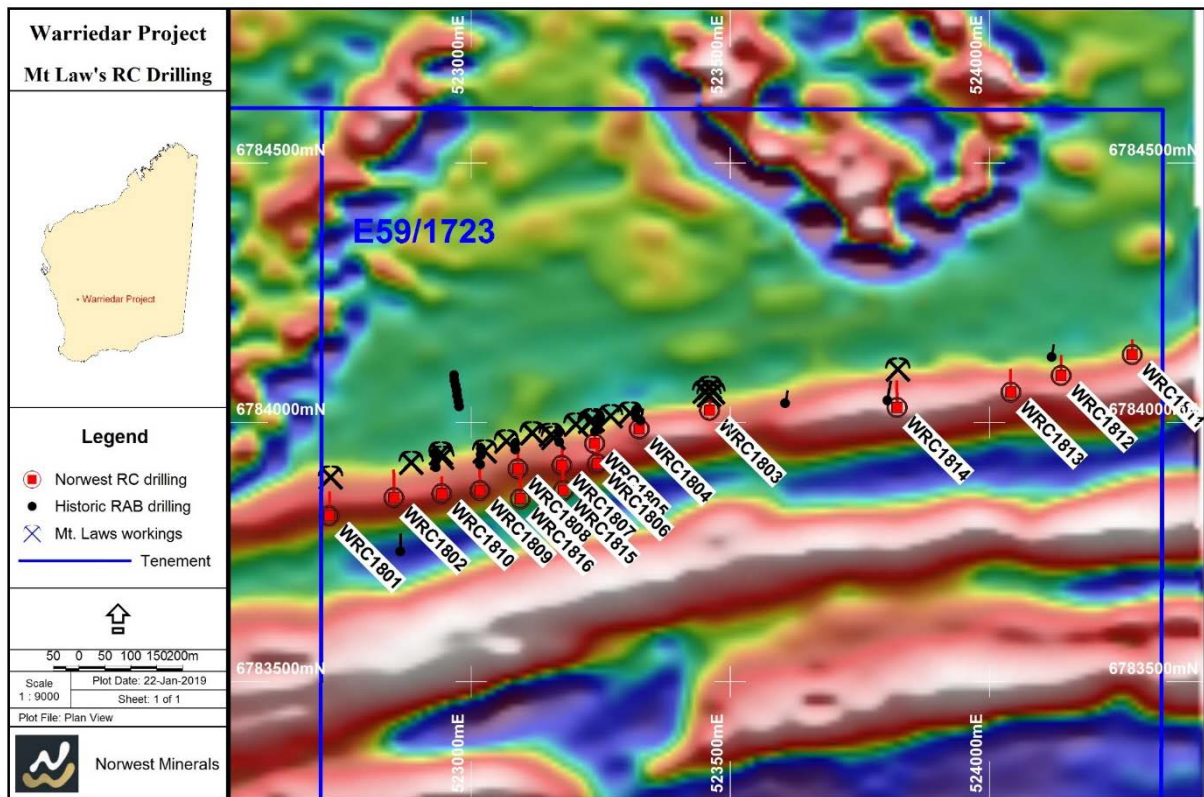


Figure 2: Mount Laws RC drill hole collar locations relative to old workings.

The Mount Laws RC drilling program comprised 16 drill holes for 1,320 metres. Drilling was completed on 13 drill traverses that were spaced between 80 to 360 metres apart. Holes ranged in depths from 51 to 117 metres. Collar locations are shown in Figure 2 above and significant intersections are shown in Table 1. Key intercepts include:

- 4 metres @ 3.48 g/t gold from 75 metres (in hole WRC1816)
- 2 metres @ 3.32 g/t gold From 87metres (in hole WRC1815)
- 2 metres @ 3.09 g/t gold from 49 metres (in hole WRC1807)

Drilling intersected a sequence of Banded Iron Formation (BIF) within a dolerite and basaltic mafic sequence. Mineralisation is associated with a BIF and dolerite/basalt contact with trace amounts quartz veining and pyrite. Drill hole observations indicate that the BIF unit pinches out at depth, however the mineralisation continues down dip and is hosted wholly in a fine- grained dolerite. The mineralisation ranges in thickness from 1 to 4 metres and is open at depth.

Cross-sections 523095E and 523175E (Figures 3 & 4) highlight where the higher tenor gold mineralisation was intersected. Initial observations indicate that both gold grade and width of gold mineralisation improve at depth. Further follow-up RC drilling is planned for the first half of this year.

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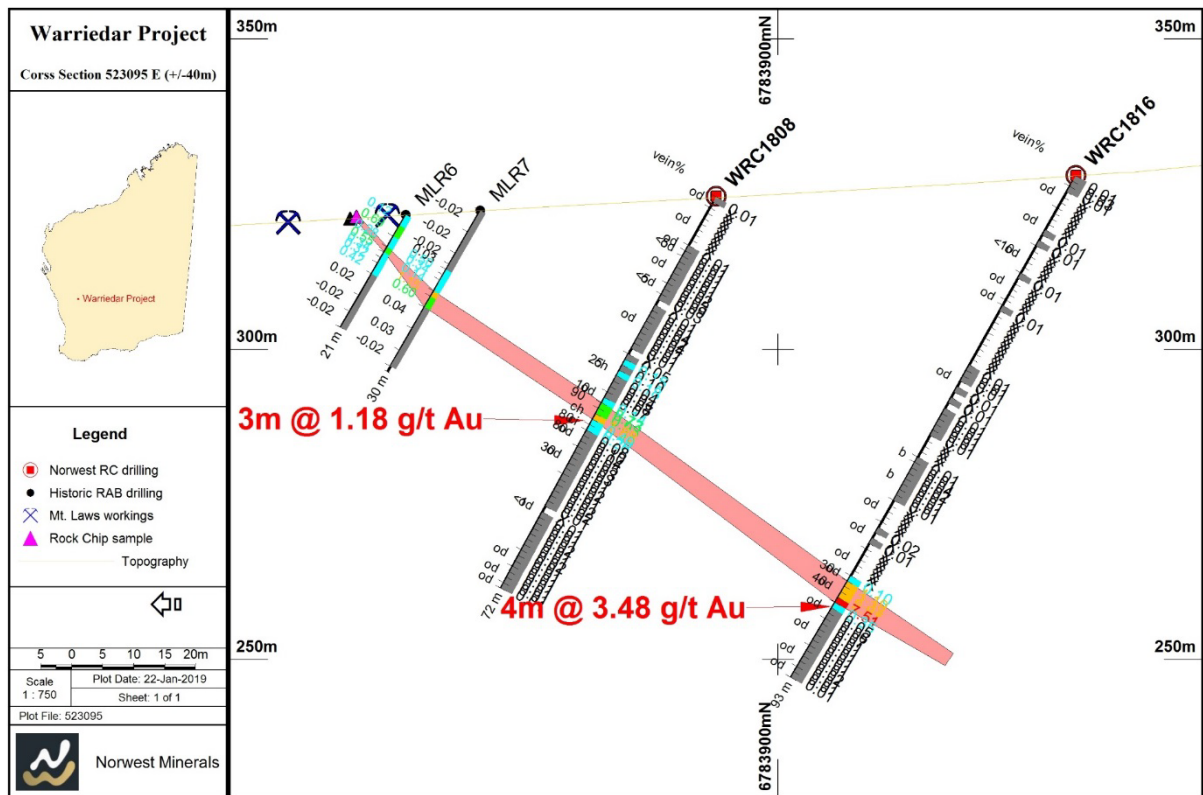


Figure 3: Mount Laws section 523095E showing gold intercepts in RC drilling

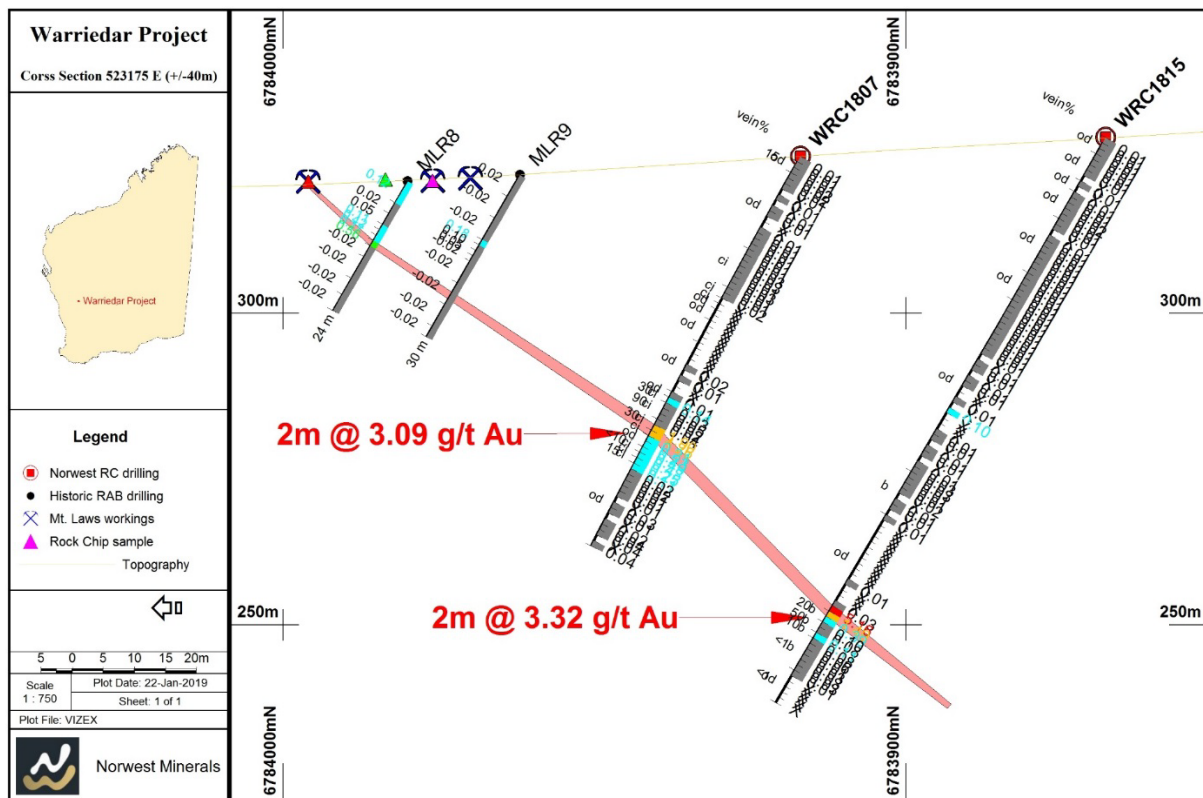


Figure 4: Mount Laws section 523175E showing gold intercepts in RC drilling

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**Table 1
Significant Intercepts for Mount Laws RC Drilling>0.5g/t Au**

Hole Id.	Easting (GDA94z50)	Northing (GDA94z50)	Elevation (m)	Max. Depth (m)	Dip (Deg)	Azimuth (Deg)	From Depth (m)	To Depth (m)	Width (m)	Gold(ppm)
WRC180 1	522726	6783819	327.7	99	-60	0	61	62	1	0.62
WRC180 2	522851	6783854	325.1	117	-60	0	39	40	1	4.52
WRC180 3	523460	6784023	327.9	99	-55	0	11	12	1	0.78
WRC180 4	523324	6783987	326.3	57	-60	0	No significant Results.			
WRC180 5	523238	6783959	323.7	51	-60	0	No significant Results.			
WRC180 6	523243	6783920	326.1	75	-60	0	57	59	2	2.59
WRC180 7	523175	6783917	325.2	71	-60	0	49	51	2	3.09
WRC180 8	523090	6783910	324.6	72	-60	0	38	41	3	1.18
WRC180 9	523017	6783868	326.7	84	-60	0	55	57	2	0.66
WRC181 0	522943	6783862	326.4	69	-60	0	50	51	1	1.10
WRC181 1	524275	6784130	321.7	61	-60	0	17	18	1	0.63
WRC181 2	524138	6784090	325.9	81	-60	0	No significant Results.			
WRC181 3	524041	6784058	330	93	-60	0	61	62	1	0.58
WRC181 4	523822	6784028	329.7	93	-55	0	No significant Results.			
WRC181 5	523178	6783868	328.2	105	-60	0	87	89	2	3.32
WRC181 6	523095	6783852	328	93	-60	0	75	79	4	3.48

Surface Sampling and Ground Magnetics

Surface geochemistry programmes were completed across several prospects at Warriedar to highlight potential gold and/or base metal anomalies for drill targeting. Soil grids tested extensions to several prospects including Mount Laws, Lang's Find, Golden Eagle and Reid's Ridge. A total of 1,344 soil samples, 25 rock chip samples and 8 grab samples were collected from the various target localities. Sampling was completed on several 100 x 100 m and 50 x 100 metre grids, and one 450 x 100 metre grid. Samples were submitted to Genalysis (Intertek) in Perth for multi-element analysis. Several gold anomalies have been identified that warrant follow-up (Figure 5). Two rock chip samples were collected from the Lang's Find line of workings grading 4.08 g/t gold and a 12.96 g/t gold

A 50 metre line spaced north-south oriented ground magnetic survey constituting 164 line-kilometres has been completed over tenements M59/755, E59/1696, E59/2104 and P59/2070. The new magnetic data was combined with existing high-resolution aeromagnetic imagery to the immediate east to highlight geophysical features extending west across the full Warriedar tenement package. Data was collected using a Geometrics 858-1 CV magnetometer and Garmin GPSMAP62s with a Geometrics G857 Memory-Mag Proton procession Magnetometer Garmin 450 Oregon GPS base station. Figure 6 shows the final magnetic imagery. The magnetic survey has clearly identified the Reid's Ridge/Commodore fault, which will enable Norwest to better refine drill targeting in this area.

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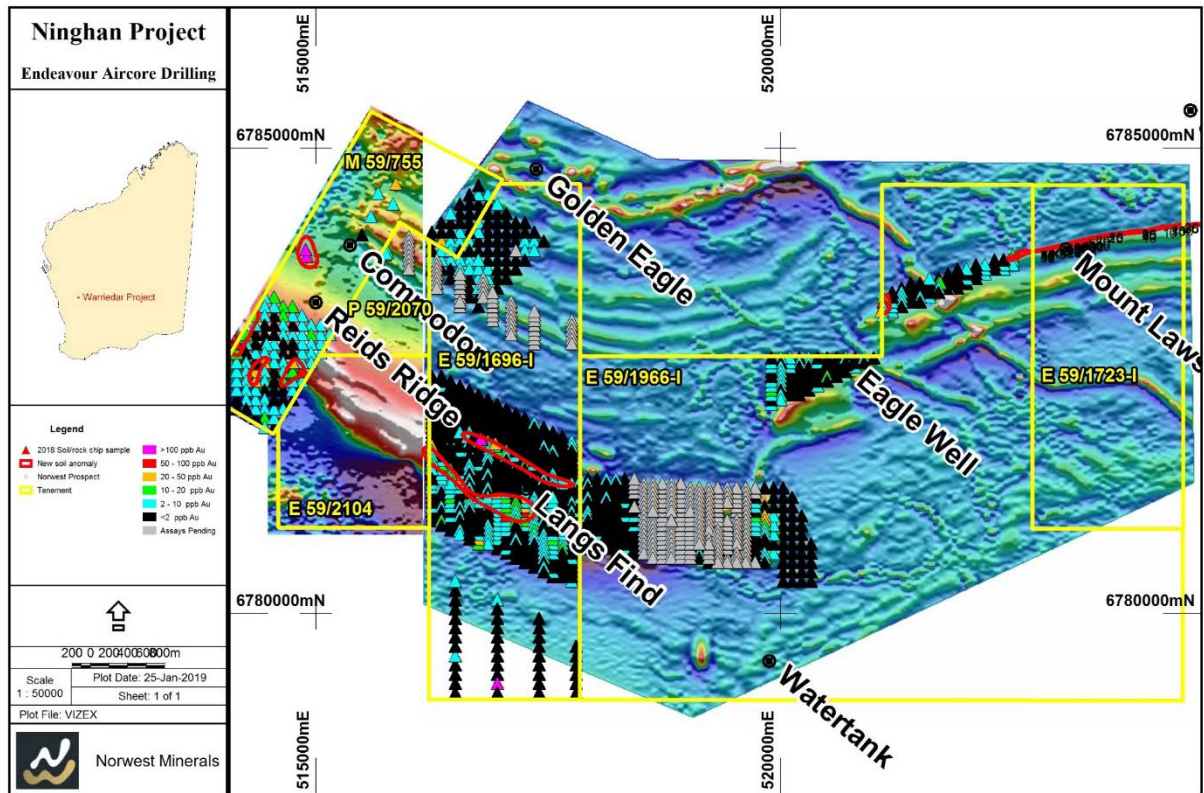


Figure 5: Warriedar soil sampling programme carried out November-December 2018

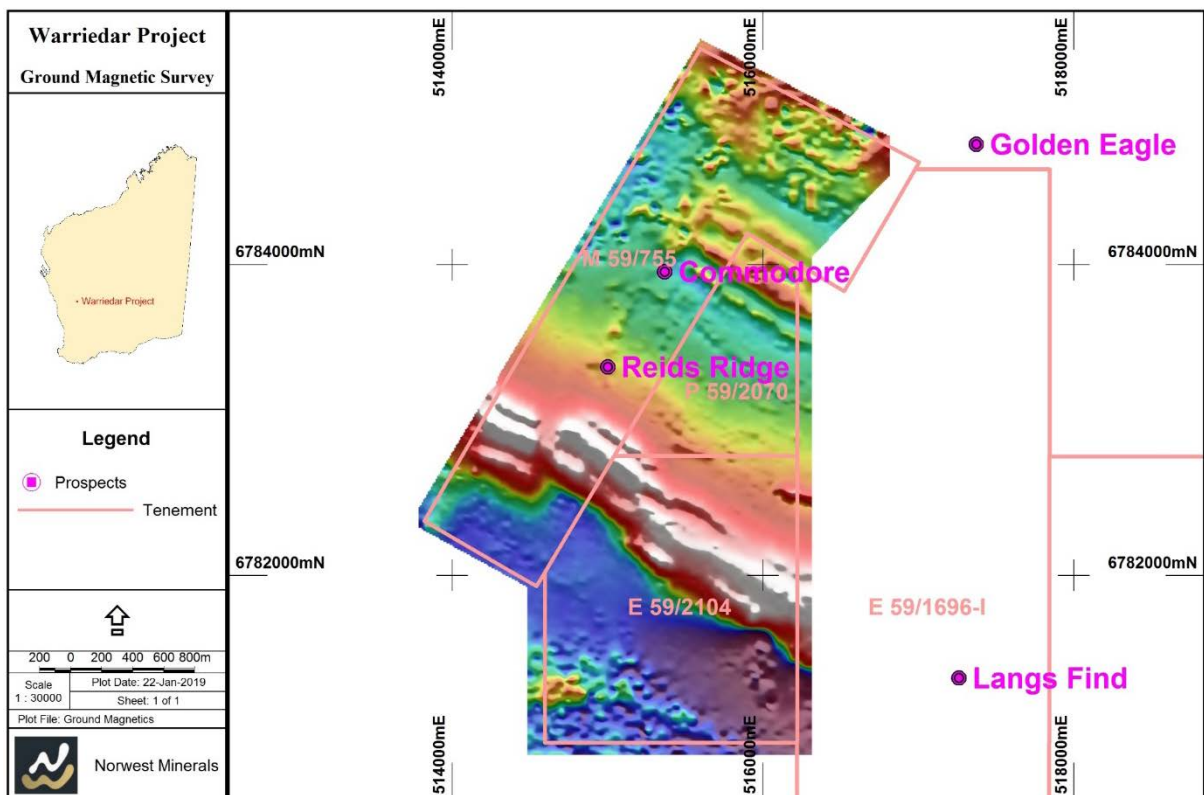


Figure 6: New ground magnetics along the western Warriedar project tenements highlighting the Reid's Ridge/Commodore fault.

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Ninghan Gold and Base Metals Project - (100%)

The Ninghan project, consisting of four tenements, was acquired together with Norwest's 100% purchase of the Warriedar project tenements. The Ninghan tenements are prospective for gold and base metals and are located approximately 40 kilometres southeast of the Warriedar package and 20 kilometres west of the former Gold Rush settlement of Paynes Find.

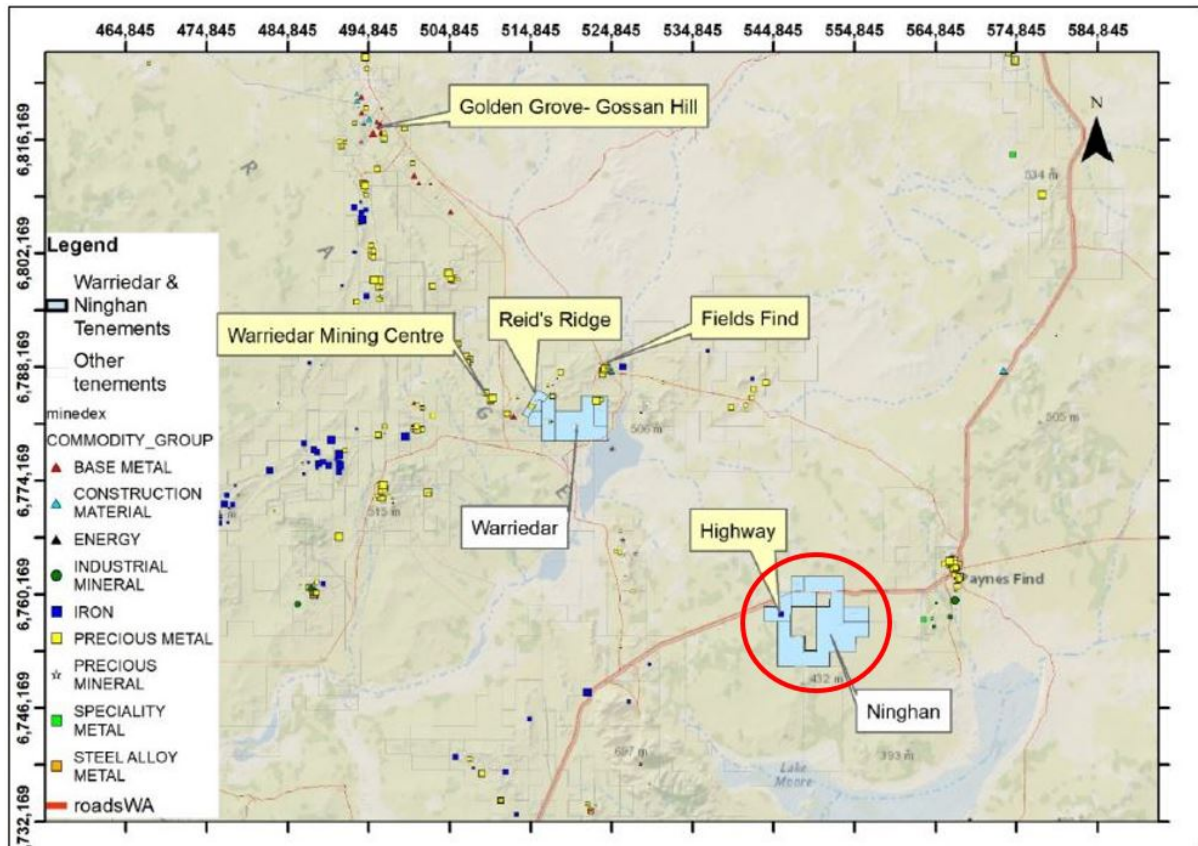


Figure 7: Location of Ninghan project tenements near Paynes Find, WA.

Desktop studies revealed the Ninghan tenements were lightly drill tested for gold and base metals mineralisation with most past exploration focused on the Endeavour Shear (E59/2080). Historical RAB drilling at the Endeavour prospect defined supergene enrichment up to 40m thick containing mostly low-grade gold mineralisation with one intercept of 3m @ 1.95g/t in the northernmost hole. Past soils and RC drilling (20 holes) at the Highway prospect (E59/1692) identified anomalous mineralisation in hole HWR017 of 1 metre @ 7,500 ppm nickel, 1,250 ppm copper, 448 ppm cobalt.

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Aircore Drilling

The Ninghan aircore drilling programme targeted the Endeavour and Highway prospects. Drilling along the Endeavour Shear was focused on defining the extent of mineralization to the north-east. Drilling at the Highway prospect was designed to identifying potential gold and base metal mineralization in the northern extent of the folded mafic/ultramafic volcanics which contribute to a magnetic high in the area.

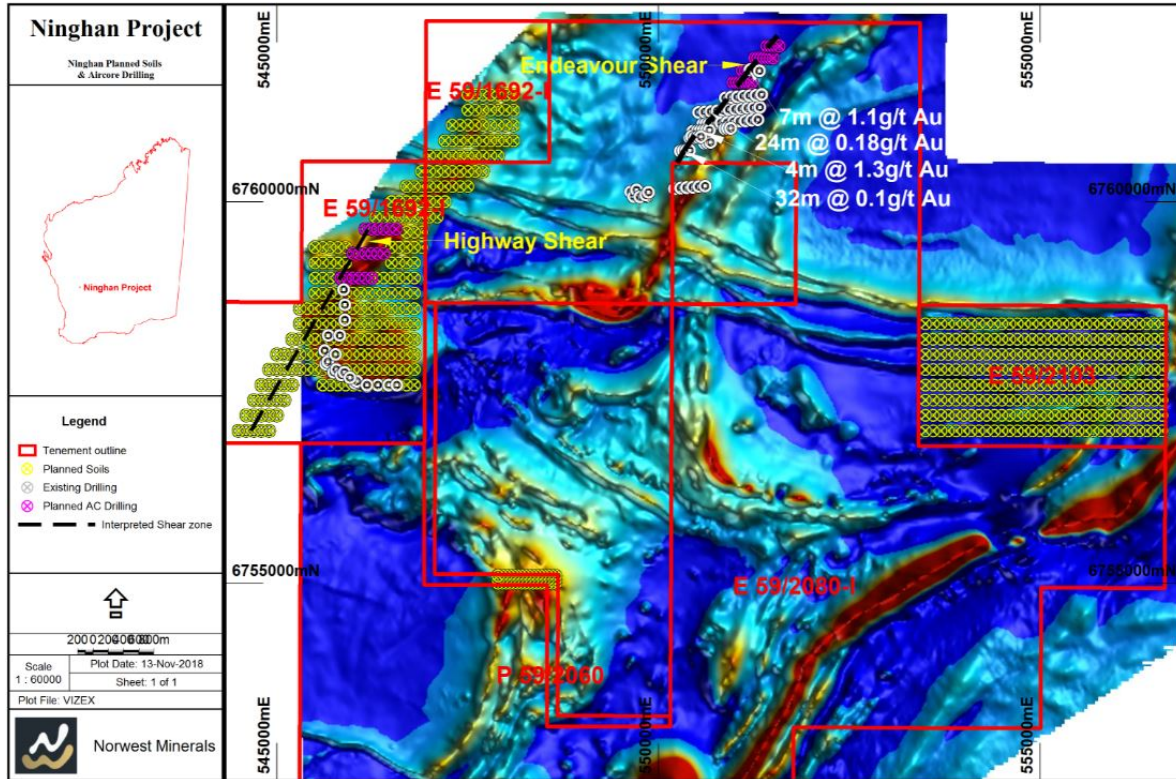


Figure 8 – Ninghan tenements showing location of Endeavour and Highway prospects and historical drilling with planned aircore and soils programmes (now complete).

Fifty holes were drilled for a total of 1,786 metres and 459 samples were collected. All holes were oriented -60° towards the west and drilled to blade refusal. The 4m composite samples were submitted to Genalysis Perth for ICPMS 33 element analysis. The Endeavour drilling verified, and infilled anomalous gold mineralisation observed over the 900 metres of strike (Figure 7, 8 and Table 2). These results are from infill 200 metre drill lines. After initial challenges drilling through the near surface silcrete +/- ferricrete horizons drilling intersected intensely sheared talc chlorite schist. Single metre re-sampling of the mineralised 4 metre composite samples will be carried out in due course.

Composite highlights include:

- 20 metres @ 0.81g/t gold from 32 metres in hole NAC1825.
(including 4 metres @ 2.52 g/t gold from 40 metres)
- 12 metre @ 0.21g/t gold from 32 metre in hole NAC1827
- 12 metre @ 0.21g/t gold from 52 metre in hole NAC1811
- 4 metre @ 0.45g/t gold from 36 metre in hole NAC1828

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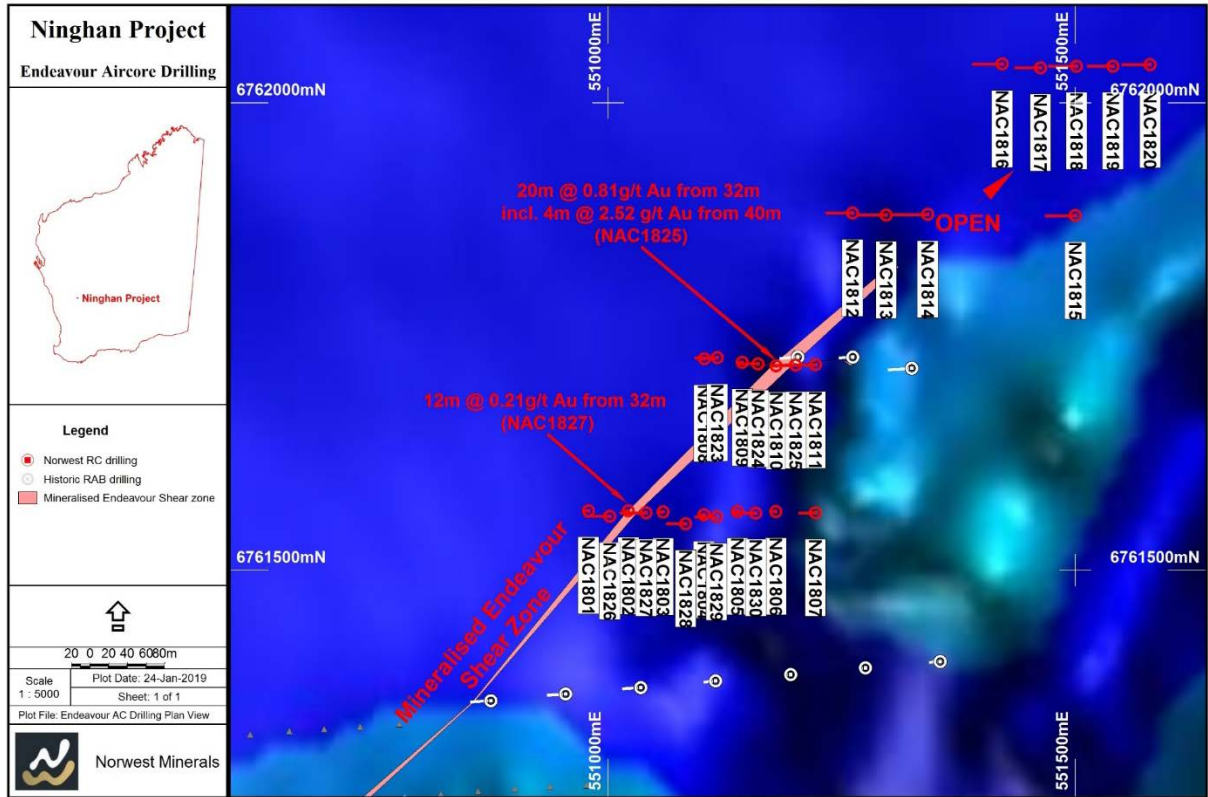


Figure 9 – Recent infill aircore drilling along the Endeavour shear.

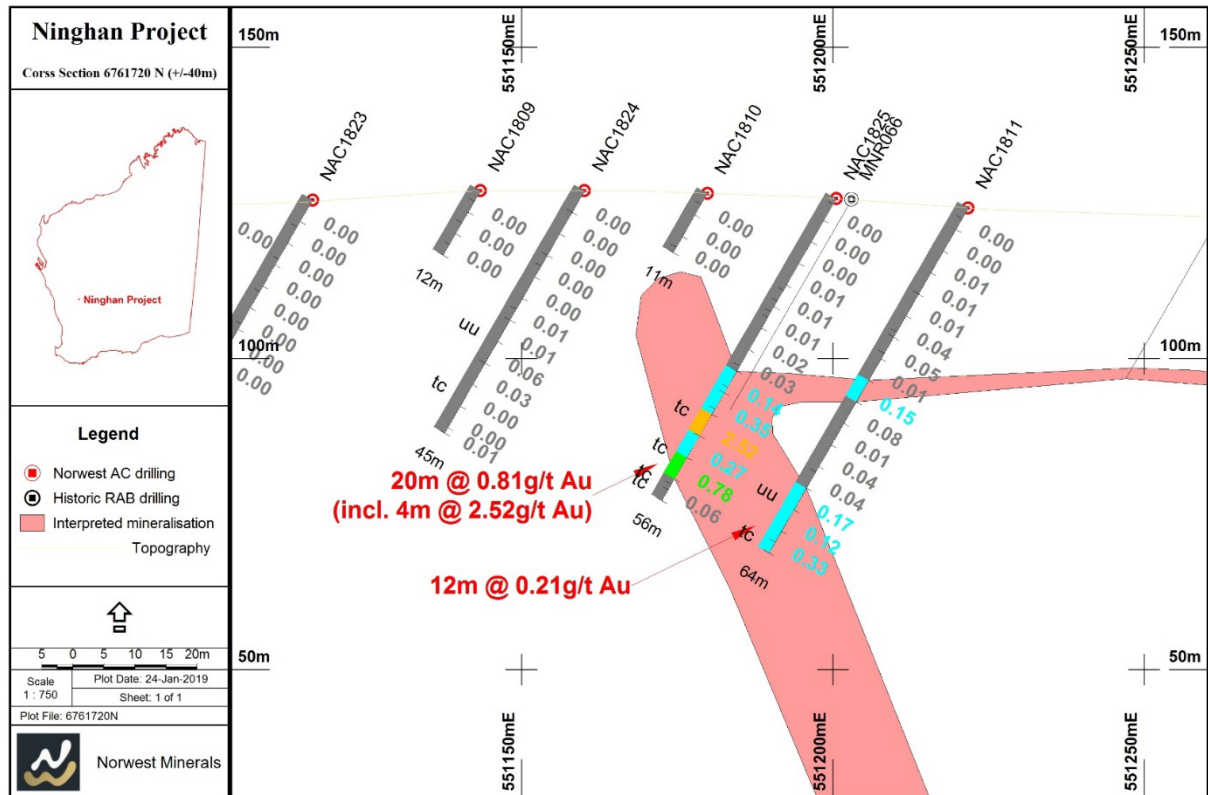


Figure 10 – Aircore drill section 6761720N at Endeavour prospect.

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**Table 2
Gold Intercepts >0.1 g/t for Endeavour Prospect AC Drilling**

Hole Id.	Easting (GDA94z50)	Northing (GDA94z50)	Elev (m)	Max. Depth (m)	Dip (Deg)	Az (Deg)	From Depth (m)	To Depth (m)	Width (m)	Au (ppm)
NAC1811	551222	6761720	124	64	-60	270	32	36	4	0.16
NAC1811	"	"					52	64	12	0.21
NAC1825	551201	6761719	126	56	-60	270	32	52	20	0.81
NAC1827	551040	6761561	122	56	-60	270	20	28	8	0.16
NAC1827	"	"					32	44	12	0.21
NAC1828	551083	6761550	122	42	-60	270	36	40	4	0.45
NAC1829	551116	6761557	123	47	-60	270	32	36	4	0.11

Note: A summary table of all Ninghan aircore drilling results are located in Appendix 1 in the Quarterly Activities Report lodged on 31 January 2019.

Surface sampling

Soil sampling at Ninghan was designed to extend geochemical surface coverage along the Highway prospect and broadly target mineralisation across tenements E59/2103 and P59/2060.

A total of 569 soil samples were collected over several 50m x 50 metre and 200m x 100 metregrids. Samples were submitted to Genalysis in Perth for 33 multi-element analysis highlight potential gold and/or base metals anomalism. Results to date remain outstanding.

Bali Copper Project (100%)

Airborne electromagnetic and magnetic surveys targeting base metal mineralisation

A high-resolution airborne electromagnetic and magnetic survey totaling 441 line-kilometres was recently flown across Norwest's Bali Project. The survey was designed to pin point the location of any primary copper mineralisation that may be present within the project area.

The Bali Project, which is located approximately 75 kilometres west of Paraburdoo in Western Australia, hosts the Bali shear being a major faulted zone proven to host copper, lead, zinc and silver mineralisation.

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To date, five zones of mineralisation have been identified along the shear within Norwest's project area. These zones of mineralisation have been lightly drill tested to date with the majority of holes testing only the top 30 metres. Positive results from the historic drilling include:

- 9 metres @ 2.14% Copper & 9.8 g/t silver (Drill hole CL4)
- 3 metres @ 3.75% Copper & 18.3 g/t silver from 5 metres downhole (Drill hole CL1A)
- 6 metres @ 7.17% Copper & 27.3 g/t silver from 17 metres downhole (Drill hole CL1A).

This airborne electromagnetic (AEM) and magnetic survey covers the entire Bali Project tenement area and comes less than a month after the Company's successful listing on the ASX.

The AEM and magnetic data was collected using the latest Xcite airborne system, developed by New Resolution Geophysics Australia's (NRG). The specifications of this survey included a line spacing of 100 metres, flown on a north-south grid pattern to maximise resolution of any primary base metal mineralisation that may be present with the shear system. Based on these specifications, NRG indicate that the Xcite system would be expected to locate copper mineralisation at the Bali Project from surface to a depth of at least 300 metres.



Figure 11: The Xcite airborne electromagnetic and magnetic system collects high-resolution geophysical data for targeting Bali sulphide mineralisation.

The survey data is being processed and assessed by Perth based Southern Geoscience Consultants, with the final results available during the first quarter of 2019.

Previous Surface Mapping and Sampling Programme at Bali

The exploration programme completed at the Bali Project mid-2018 included mapping along the 8-kilometre Bali Shear Zone and the collection of 87 rock chip samples from Bali Hi, Bali Lo and Bali East prospects.

At surface, the potential for high-grade copper mineralisation is evidenced by visual copper associated with gossans. Assaying of the rock chips was completed in July 2018, with 33 samples reporting more than 5% copper, 17 samples returning an impressive 10% copper or greater and a best recorded sample assaying at 36.8% copper.

The copper grades of all 87 rock chip samples averaged 6.3%.

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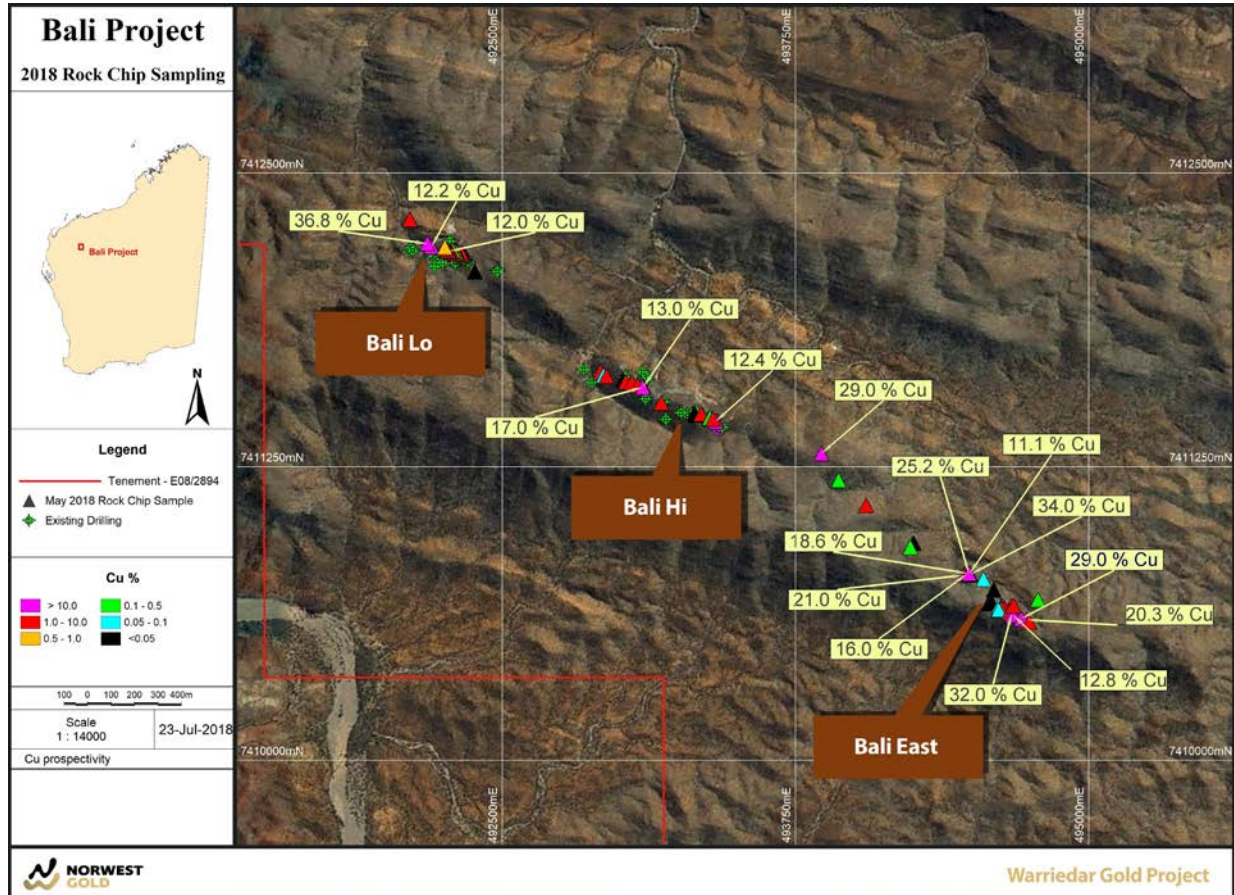


Figure 12: Map displaying rock chip sample locations and copper grades from fieldwork conducted by the Norwest earlier this year.

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UAV Survey

In November Norwest Minerals contracted Sensorem Pty Ltd to conduct an Unmanned Aerial Vehicle (UAV) survey over the Bali Project area. The survey was focused on the mineralised trend stretching from west of Bali Low to east of the Bali East prospect. The survey area covered 465 hectares. The surveys were flown using a Bramor TK UAV with a 24.3-megapixel camera with 2.5 cm resolution. The UAV survey produced data for high resolution images and digital terrain models (DTMs). This will provide valuable high-resolution aerial imagery for mapping outcrop geology and mineralised zones as well as allow high quality digital elevation modelling (Figure 13) to enable Norwest to plan optimal drill locations within the rugged terrain.

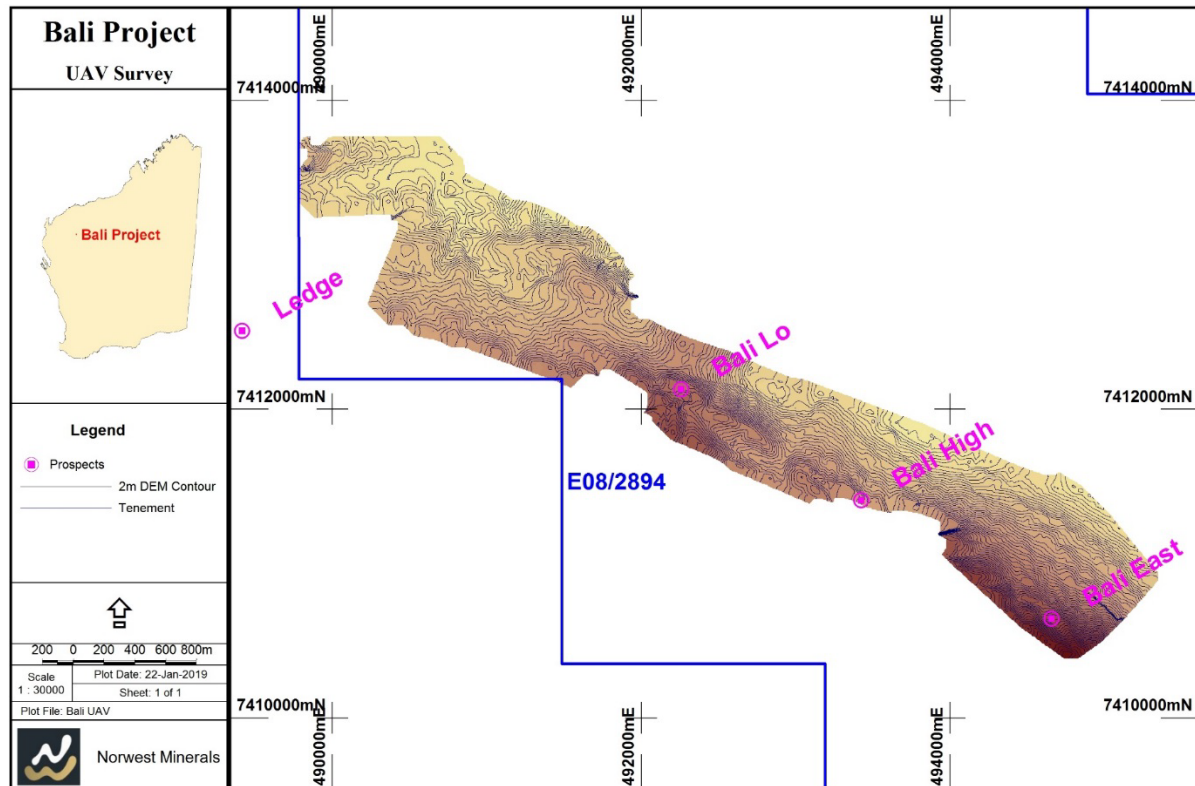


Figure 13: Plan view of Bali digital elevation model generated from the UAV survey.

Arunta West Project – North Dovers IOCG Prospect

A Heritage study was completed during the December 2018 quarter which has cleared the areas at the North Dovers prospect where diamond drilling is planned to test a significant iron oxide, copper, gold (IOCG) target. The final North Dovers clearances comes on the back of BHP's announcement last month of a new IOCG find southeast of its massive Olympic Dam operation having returned drill intercepts of up to 425.7 metres @ 3% copper (inc. 180 metres @ 6% Copper) with associated gold, and silver metals.

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The North Dovers prospect features a large, 8 x 4 kilometre, ovoid magnetic/gravity anomaly. High resolution ground gravity data acquired in September 2017 and a detailed aeromagnetic survey flown in early 2018 has recently been processed to enable optimal positioning of drill holes across the North Dovers target. The geophysical anomaly features a distinct gravity-high being coincident with a magnetic-high at North Dovers.

According to Southern Geoscience Consultants (SGC), modelling of the new geophysical data indicates that the geophysical signature of the North Dovers IOCG target is similar to that of South Australia's Gawler Craton IOCG mineralisation with the interpreted depth to source being approximately 400 metres below surface. Direct drill targeting based on the new gravity and magnetic modelling has resulted in the design of four diamond drill holes at North Dovers to test the various modelled bodies for IOCG and other styles of economic mineralisation.

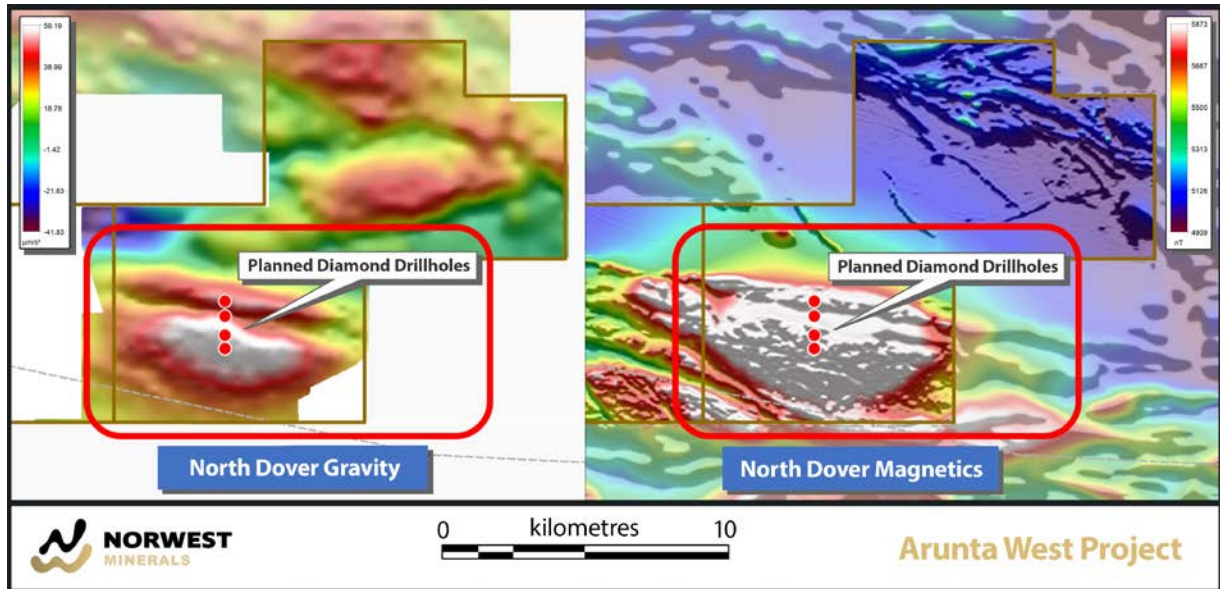


Figure 14: Newly processed gravity (residual Bouguer gravity anomaly) and reduced-to-pole magnetic data clearly display the coincident highs (red to white peaks) associated with the North Dovers anomaly.

The Arunta West Copper-Gold project is located approximately 600 kilometres west of Alice Springs in Western Australia and is strategically located between the Pokali mineral occurrences to the west and Independence Group's (ASX: IGO) Lake MacKay project hosting the Bumblebee copper-gold discovery to the east (Figures 15).

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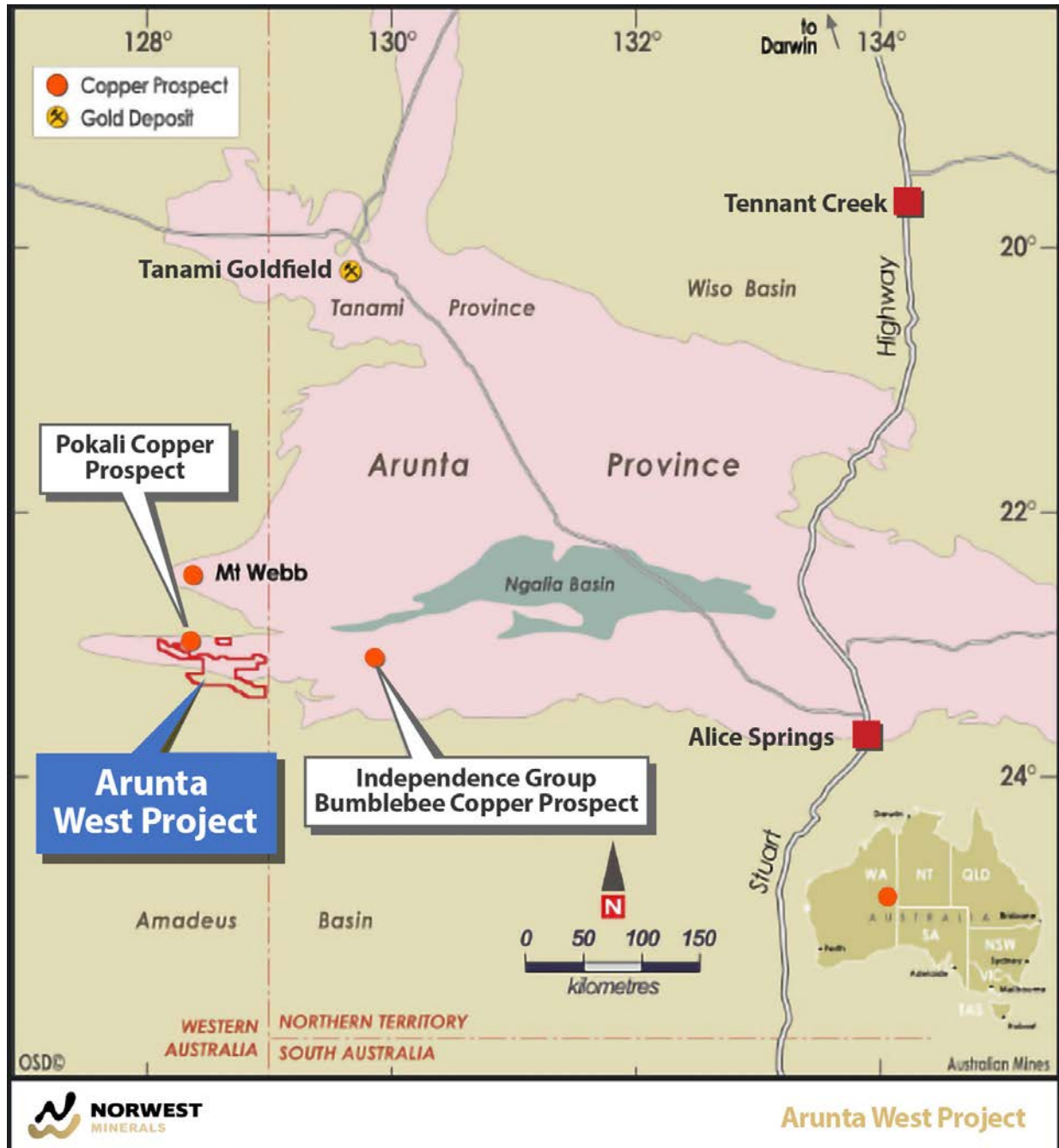


Figure 15: The Arunta West project covers an area of approximately 1,500 square kilometres in a region rapidly becoming known as Australia's next copper province.

The Arunta West project is a joint venture with Jervois Mining Limited (ASX:JRV 49%) (ASX:NWM 51%-manager, earning 80%), and takes in three tenements covering 345 square kilometres of the prospective Lake Mackay district of Western Australia. Norwest also holds 100% interest in two tenements adjoining the Arunta West JV area covering an additional 1,100 square kilometres.

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The North Dovers prospect was identified in 1999 by BHP as a potential Ernest Henry-style copper-gold target following a prospectivity study of the region by Australian Geological Survey Organisation (AGSO) and a review of the regional government geophysical data. BHP's work revealed a coincident gravity-magnetic anomaly suggestive of an IOCG deposit.

A single hole, NDVRC01, was later drilled by BHP to test the North Dovers anomaly. Due to strict access issues the hole was located off the main anomaly and drilling only reached the cover sequence before being abandoned without achieving its target depth (Figure 4).

North Dovers is primarily defined by a strong 1,000 nT magnetic anomaly covering approximately a 4-kilometre by 8-kilometre area and located immediately south of a major crustal structure. For reference, the Olympic Dam deposit also produces a 1,000 nT magnetic anomaly.

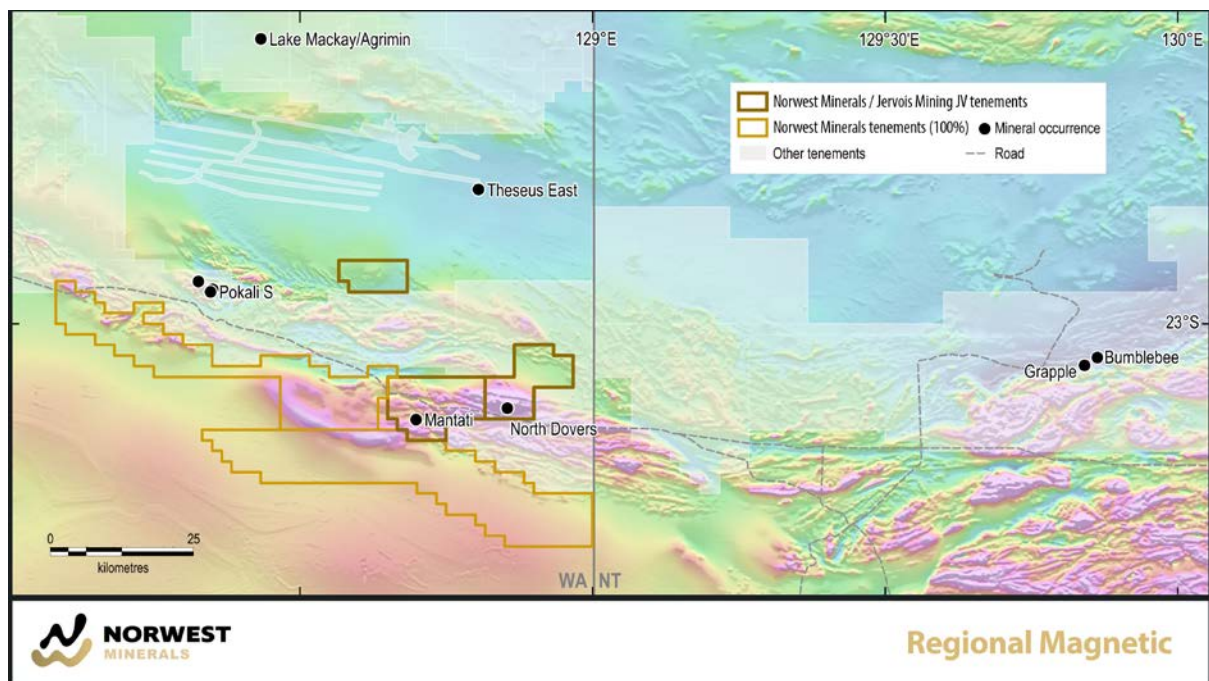


Figure 16: Regional magnetic image across West Arunta region and showing project tenement location.

**Norwest Minerals Ltd
Directors' Report
Half Year Ended 31 December 2018**

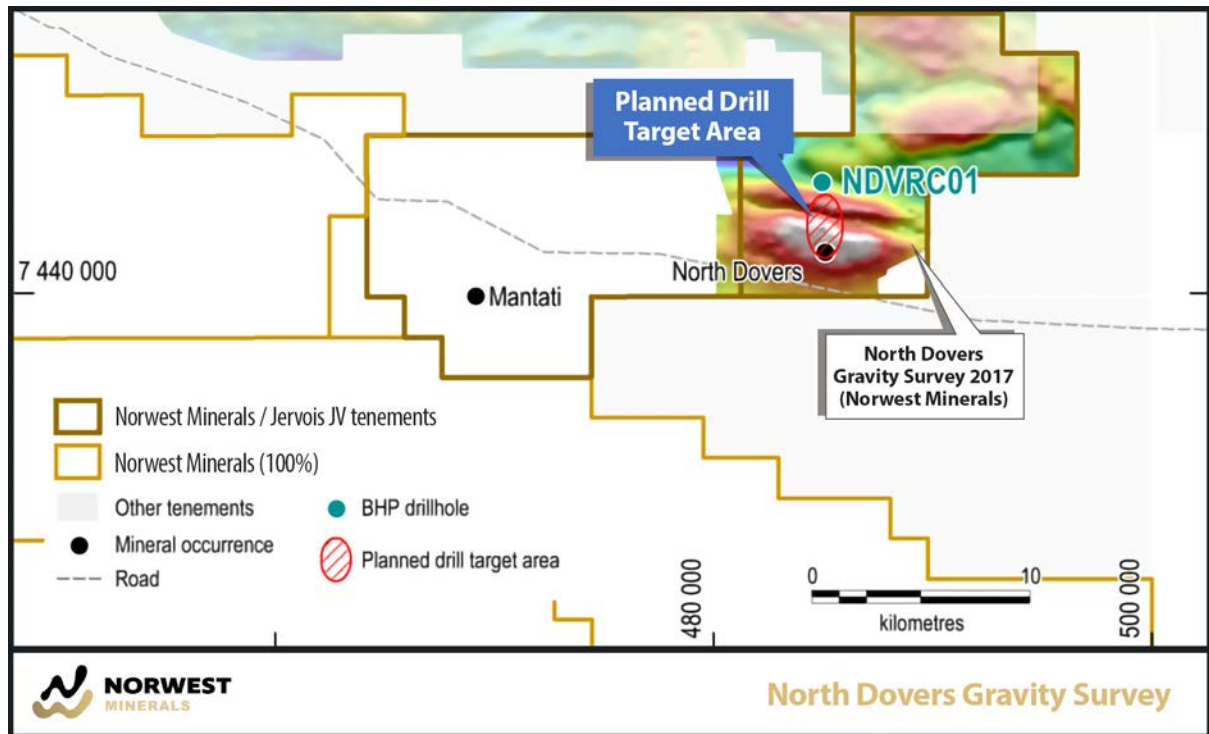


Figure 17: Residual gravity image showing old BHP drill hole (NDVRC01) collar position relative to the North Dovers anomaly and Norwest's planned diamond drilling.

The base metal potential of the province was reaffirmed in October 2015 when Independence Group, in partnership with ABM Resources, announced the Bumblebee copper-gold-silver-lead-zinc-cobalt discovery immediately east of the Arunta West project area. Better results from the IGO/ABM drilling programme along strike of Norwest's North Dovers (Arunta JV) target were:

- 11.4 metres at 7.9 grams per tonne gold, 20.7 grams per tonne silver, 0.8% copper, 1.1% zinc, 0.5% lead and 0.1% cobalt from 284.9 metres

Independence currently hold a 12,800 sq. km position at the Lake MacKay Project via a JV arrangement with Prodigy Gold (formally ABM Resources)

The prospectivity of the North Dovers target was specifically recognized by the Western Australian government when they agreed to contribute up to \$200,000 toward Norwest's upcoming maiden drill programme at North Dovers via their competitive Exploration Incentive Scheme.

A Mineral Exploration and Land Access Deed of Agreement has been executed with the Tjamu (Aboriginal Corporation) RNTBC who manage the land covered by the Company's Arunta West Copper-Gold Project. This agreement opens up the ability for the Company to conduct exploration programs (including drilling) across its 1,450 square kilometre Arunta West tenement holding.

Marymia Project

The Marymia Project is located approximately 900 kilometres north of Perth within the Archean Marymia Inlier. The project is situated 40 kilometres east of the Plutonic Gold Mine, 20 kilometres southeast of the Marymia gold camp, and 55 kilometres northeast of Sandfire Resources NL's DeGrussa copper mine. Field activities, including RC and aircore drilling, are scheduled to commence in March following the completion of a Heritage Study commencing in February of this year.

**Norwest Minerals Ltd
Directors' Report
Half Year Ended 31 December 2018**

Future developments

The Company expects to maintain the present status and level of operations.

Significant changes in the state of affairs

During the period the company raised \$1 million by way of a \$0.5 million seed investment in shares and \$0.5 million convertible note. The Company has also issued 33 million shares at an offer price of \$0.20 each to raise \$6.6 million before costs through an Initial Public Offering (IPO) and successfully listed on the ASX on 29th November 2018.

Dividends paid or recommended

No dividends were paid during the period ended 31 December 2018 and no recommendation is made as to payments of future dividends.

Matters subsequent to the end of the financial period

No matters or circumstances have arisen since 31 December 2018 that have significantly affected, or may significantly affect:

- (a) The Company's operations in future financial years, or
- (b) The results of those operations in future financial years, or
- (c) The Company's state of affairs in future financial years

Environmental regulation

The Company conducts mining and exploration activities on mineral tenements. The right to conduct these activities is granted, subject to environmental conditions and requirements and as such is governed by a range of environment legislation. As the Company is in the early exploration phase of its exploration projects, the Company is not yet subject to the public reporting requirements of the environmental legislation. The Company aims to ensure a high standard of environmental care is achieved and, as a minimum, to comply with relevant environmental regulations. To the best of the Directors knowledge, the Company has adequate systems in place to ensure compliance with the requirements of the applicable legislation and is not aware of any material breach of those requirements during the financial year and up to the date of the Directors Report.

Proceedings on behalf of the company

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

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under Section 237 of the Act.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 24.

This report is made in accordance with a resolution of directors.



Michael Tilley,
Chairman
Melbourne
08 March 2019

DECLARATION OF INDEPENDENCE BY JARRAD PRUE TO THE DIRECTORS OF NORWEST MINERALS LIMITED

As lead auditor for the review of Norwest Minerals Limited for the half-year ended 31 December 2018, 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 review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.



Jarrad Prue

Director

BDO Audit (WA) Pty Ltd

Perth, 8 March 2019

Norwest Minerals Ltd

**Statement of Profit or Loss and Other Comprehensive Income
For the half-year ended 31 December 2018**

	Notes	31 December 2018 \$	31 December 2017 \$
Revenue			
Other income		719	-
Expenses			
Administration	2	(887,278)	(5,872)
Finance Cost	6	(876,000)	-
Exploration cost not capitalised		(59,287)	(7,380)
Total expenses		<u>(1,822,565)</u>	<u>(13,252)</u>
Loss before income tax		<u>(1,821,846)</u>	<u>(13,252)</u>
Income tax benefit	3	-	-
Loss after tax		<u>(1,821,846)</u>	<u>(13,252)</u>
Other comprehensive income, net of tax		-	-
Total comprehensive loss for the period		<u>(1,821,846)</u>	<u>(13,252)</u>
Earnings/ (loss) per share			
- Basic loss per share (dollars)	4	(0.0596)	(132.52)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Norwest Minerals Ltd
Statement of Financial Position
As at 31 December 2018

	Notes	31 December 2018 \$	30 June 2018 \$
ASSETS			
Current assets			
Cash and cash equivalent		5,063,239	-
Other current assets		165,202	5,160
Total current assets		<u>5,228,441</u>	<u>5,160</u>
Non-current assets			
Exploration and evaluation assets	5	<u>5,204,264</u>	<u>257,970</u>
Total non-current assets		<u>5,204,264</u>	<u>257,970</u>
Total assets		<u>10,432,705</u>	<u>263,130</u>
LIABILITIES			
Current liabilities			
Trade and other payables		<u>463,852</u>	<u>349,917</u>
Total current liabilities		<u>463,852</u>	<u>349,917</u>
Non-current liabilities			
Total non-current liabilities		<u>-</u>	<u>-</u>
Total liabilities		<u>463,852</u>	<u>349,917</u>
Net assets		<u>9,968,853</u>	<u>(86,787)</u>
EQUITY			
Contributed equity	7	11,539,480	100
Share based payment reserve		338,106	-
Accumulated Losses		(1,908,733)	(86,887)
Total equity		<u>9,968,853</u>	<u>(86,787)</u>

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

Norwest Minerals Ltd
Statement of Changes in Equity
For the half-year ended 31 December 2018

	Contributed equity \$	Share based payment reserve \$	Retained earnings \$	Total equity \$
Balance at 21 November 2017	-	-	-	-
Loss for the period	-	-	(13,252)	(13,252)
Transactions with owners in their capacity as owners				
Issue of share capital	100	-	-	100
Transaction costs from issue of shares	-	-	-	-
Share-based payments	-	-	-	-
Balance at 31 December 2017	100	-	(13,252)	(13,152)

	Contributed equity \$	Share based payment reserve \$	Retained earnings \$	Total equity \$
Balance at 1 July 2018	100	-	(86,887)	(86,787)
Loss for the period	-	-	(1,821,846)	(1,821,846)
Transactions with owners in their capacity as owners				
Issue of share capital	12,076,000	-	-	12,076,000
Transaction costs from issue of shares	(536,620)	-	-	(536,620)
Share-based payments (Note 8)	-	338,106	-	338,106
Balance at 31 December 2018	11,539,480	338,106	(1,908,733)	9,968,853

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

Norwest Minerals Ltd

Statement of Cash Flows
For the half-year ended 31 December 2018

	Notes	31 December 2018 \$	31 December 2017 \$
Cash flows from operating activities			
Administration fees		(704,947)	-
Interest income		720	-
Net cash (outflow) inflow from operating activities		<u>(704,227)</u>	<u>-</u>
Cash flows from investing activities			
Exploration & evaluation		(703,397)	-
Purchase of tenements		(592,500)	-
Net cash (outflow) inflow from investing activities		<u>(1,295,897)</u>	<u>-</u>
Cash flows from financing activities			
Proceeds from issues of ordinary shares		7,099,982	-
Proceeds from convertible note (Note 6)		500,000	-
Transaction costs related to issues of shares, convertible notes or options		(536,619)	-
Net cash inflow (outflow) from financing activities		<u>7,063,363</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents		5,063,239	-
Cash and cash equivalents at the beginning of the financial period		-	-
Cash and cash equivalents at the end of period		<u>5,063,239</u>	<u>-</u>

The above statement of cash flows should be read in conjunction with the accompanying notes.

Norwest Minerals Ltd
Notes to the Interim Financial Statements
For the Period Ending 31 December 2018

Note 1: Summary of significant accounting policies

These interim financial statements are general purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134: Interim Financial Reporting, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

This half-year report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Company as in the full financial report.

It is recommended that this financial report be read in conjunction with any public announcements made by the Company during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

(a) Basis of preparation

Norwest Minerals Ltd ('the Company') is a for-profit entity for the purpose of preparing the financial report. This financial report has been prepared in accordance with the historical cost convention. Cost is based on the fair values of the consideration given in exchange for assets.

This report presents the financial information for the period ended 31 December 2018. Given the Company was incorporated on the 21 November 2017, the comparatives for the previous corresponding period for Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows represent the period from date of incorporation to 31 December 2017. The comparatives for the previous corresponding period for Statement of Financial Position represent the financial information for period ended 30 June 2018. The comparatives for the previous corresponding period have not been audited.

The functional currency of the Company is measured using the currency of the primary economic environment in which the entity operates. The financial statements are presented in Australian dollars, which is the entity's functional currency.

(b) Critical accounting estimates and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future period affected.

Management discussed with the Board the development, selection and disclosure of the Company's critical accounting policies and estimates and the application of these policies and estimates.

The estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) Impairment of exploration and evaluation assets

The ultimate recoupment of the value of exploration and evaluation assets is dependent of

Norwest Minerals Ltd
Notes to the Interim Financial Statements
For the Period Ending 31 December 2018

successful development and commercial exploitation, or alternatively, sale, of the underlying mineral exploration properties. The Company undertakes at least on an annual basis, a comprehensive review for indicators of impairment of those assets. Should an indicator of impairment exist, there is significant estimation and judgement in determining the inputs and assumptions used in determining the recoverable amounts.

The key issues that are considered in this review include:

- Recent drilling results and reserves and resources estimates;
- Environmental issues that may impact the underlying tenements;
- The estimated market value of assets at the review date;
- Independent valuations of the underlying assets that may be available; and
- Fundamental economic factors such as the gold price, exchange rates and current and anticipated operating costs in the industry.

Information used in the review process is rigorously tested to externally available information as appropriate. In addition, an allocation of the costs of acquired mineral rights to individual projects is performed. This allocation process requires estimates and judgement as to the value of these projects acquired.

The fair value of exploration assets is based on fair value less costs to sell, using a multiples of exploration method.

(ii) Share-based payments

The Company measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. The estimate also requires making assumptions about the most appropriate inputs to the valuation model, including the expected life of the share option, volatility and dividend yield. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 8.

(iii) Income taxes

Judgement is required in assessing whether deferred tax assets are recognised in the statement of financial position. Deferred tax assets are recognised only when it is considered more likely than not that they will be recovered, which is dependent on the generation of sufficient future taxable profits. Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. Judgements are also required about the application of income tax legislation.

(c) Going concern

This report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

(d) Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand, cash in banks and investments in money market instruments.

Norwest Minerals Ltd
Notes to the Interim Financial Statements
For the Period Ending 31 December 2018

(e) Exploration and evaluation assets

Exploration and evaluation costs, including the costs of acquiring licences, are capitalised as exploration and evaluation assets on an area of interest basis. Costs incurred before the Company has obtained the legal rights to explore an area are recognised in the Statement of Profit or Loss and Other Comprehensive Income.

Exploration and evaluation assets are only recognised if the rights of the area of interest are current and either:

- (i) the expenditures are expected to be recouped through successful development and exploitation of the area of interest; or
- (ii) activities in the area of interest have not at the reporting date, reached a stage which permits a reasonable assessment of the existence or other wise of economically recoverable reserves and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are assessed for impairment if sufficient data exists to determine technical feasibility and commercial viability, and facts and circumstances suggest that the carrying amount exceeds the recoverable amount. For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. The cash generating unit shall not be larger than the area of interest.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified from exploration and evaluation assets to mining property and development assets within property, plant and equipment.

(f) Trade and other payables

Trade payables and other payables are carried at amortised cost. They represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

(g) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the time value of money and the risks specific to the liability.

(h) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

- (ii) Interest income

Interest income is recognised as it accrues.

- (iii) Dividends

Dividends are recognised as revenue when the right to receive payment is established.

(i) Income tax

The income tax expense 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.

Norwest Minerals Ltd
Notes to the Interim Financial Statements
For the Period Ending 31 December 2018

(j) Share-based payment transactions

The Company provides benefits to directors and employees in the form of share-based payment transactions, whereby services are rendered in exchange for shares or rights over shares ('equity-settled transactions'). The cost of these equity-settled transactions with directors and employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined using an appropriate valuation model. No expense is recognised for awards that do not ultimately vest, except for equity-settled transactions for which vesting is conditional upon a market or non-vesting condition. These are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. An additional expense is recognised for any modification that increases the total fair value of the share-based arrangement, or is otherwise beneficial to the recipient, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph. The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of diluted loss per share.

(k) Earnings / loss per share

Basic earnings / loss per share is calculated as net profit or loss attributable to owners of the company, adjusted to exclude any costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares of the Company, adjusted for any bonus element.

Diluted loss per share is calculated as net profit or loss attributable to owners of the company, adjusted for:

- costs of servicing equity (other than dividends);
- the after-tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares, divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(l) Contributed equity

Ordinary shares are classified as equity.

Norwest Minerals Ltd
Notes to the Interim Financial Statements
For the Period Ending 31 December 2018

(m) New accounting standards and Interpretation

Adoption of new and amended accounting standards

A number of new or amended standards became applicable for the current reporting period and the Company had to change its accounting policies as a result of the adoption of the following standards:

- AASB 9 *Financial Instruments*; and
- AASB 15 *Revenue from Contracts with Customers*.

The impact of the adoption of these standards and the new accounting policies are disclosed below. The impact of these standards, and the other new and amended standards adopted by the Company, has not had a material impact on the amounts presented in the Company's financial statements.

AASB 9 Financial Instruments - Impact of Adoption

AASB 9 replaces the provisions of AASB 139 that relate to the recognitions, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The adoption of AASB 9 from 1 July 2018 resulted in no material changes in accounting policies and adjustments to the amounts recognised in the financial statements. The Company assessed which business models apply to the financial assets held by the Company and has classified its financial instruments into the appropriate AASB 9 categories.

There was no impact on the amounts recognised in the financial statements as a result of adoption.

AASB 15 Revenue from Contracts with Customers - Impact of Adoption

The Company has adopted AASB 15 from 1 July 2018 which has no material impact to the amounts recognised in the financial statements.

Impact of standards issued but not yet applied by the entity

AASB 16 Leases

The following standards, amendments to standards and interpretations have been identified as those which may impact the entity in the period of initial application. They have not been applied in preparing this financial report.

Reference	Title	Summary	Application date	Expected Impact
AASB 16	Leases	<p>AASB 16 eliminates the operating and finance lease classifications for lessees currently accounted for under AASB 117 Leases. It instead requires an entity to bring most leases onto its balance sheet in a similar way to how existing finance leases are treated under AASB 117. An entity will be required to recognise a lease liability and a right of use asset in its balance sheet for most leases.</p> <p>There are some optional exemptions for leases with a period of 12 months or less and for low value leases.</p> <p>Lessor accounting remains largely unchanged from AASB 117.</p>	Financial years beginning on or after 1 January 2019	No expected impact

(n) Financial instruments

Financial instruments issued by the Company comprise convertible notes that can be converted into a variable number of ordinary shares. Convertible notes issued by the Company include embedded derivatives (option to convert to variable number of shares in the Company) and are recognised as financial liabilities at

Norwest Minerals Ltd
Notes to the Interim Financial Statements
For the Period Ending 31 December 2018

fair value through profit or loss. On initial recognition, the fair value of the convertible note will equate to the proceeds received and subsequently the liability is measured at fair value at each reporting period until settlement. The fair value movements are recognised on the profit and loss as finance costs.

The convertible note derivative liability is removed from the Statement of Financial Position when the obligations specified in the Contract are discharged. This can occur at maturity date, when the convertible notes convert to equity. Convertible note derivative liabilities are classified as current or non-current based on the maturity date of the convertible note. The carrying amount of financial instruments approximate their fair value as they are short term.

Note 2: Expenses

	31 December 2018 \$	31 December 2017 \$
Administration		
General and Administration	8,002	5,872
Personnel	69,219	-
Other Fees and Services	447,474	-
Share-based expense	338,106	-
Travel and Accommodation	24,477	-
	<u>887,278</u>	<u>5,872</u>

Note 3: Income tax

The prima facie income tax expense on pre-tax accounting loss reconciles to the income tax expense in the financial statements as follows:

	31 December 2018 \$	31 December 2017 \$
Loss from operations	(1,821,846)	(13,252)
Income tax benefit calculated at 27.5%	(501,008)	(3,644)
Movements in unrecognized timing differences		
Tax losses not brought to account	501,008	3,644
Income tax benefit reported in the Statement of Comprehensive Income	<u>-</u>	<u>-</u>

The taxation benefits of tax losses and temporary differences not brought to account will only be obtained if:

- (a) Assessable income is derived of a nature and of amount sufficient to enable the benefit from the deductions to be realised;
- (b) Conditions for deductibility imposed by law are complied with; and
- (c) No changes in tax legislation adversely affect the realisation of the benefit from the deductions.

Note 4: Loss per share

	31 December 2018 \$	31 December 2017 \$
Basic loss per share:		
Loss after income tax attributable to the ordinary shareholders of the Company	(1,821,846)	(13,252)
Basic loss per fully paid ordinary share (dollars)	(0.0596)	(132.52)
Weighted average number of ordinary shares	30,521,657	100

The calculation of basic loss per share at 31 December 2018 was based on the operating loss attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding during the period.

Norwest Minerals Ltd
Notes to the Interim Financial Statements
For the Period Ending 31 December 2018

Note 5: Non-current assets – Exploration and evaluation assets

	31 December 2018 \$	30 June 2018 \$
Opening balance	257,970	-
Acquisition of assets	4,072,030	120,000
Expenditure incurred for period	874,264	137,970
Exploration costs carried forward	<u>5,204,264</u>	<u>257,970</u>

During the period, Norwest Minerals Ltd acquired several Western Australian tenements from Australian Mines Limited, for cash consideration of \$400,000 and the share split of 100 shares to 18,000,000 shares valued at \$3.6million. The tenements had a fair value of \$4 million.

Note 6: Financial Instruments

During the half-year, the Company recognised financial instruments of \$500,000 in relation to a convertible note. One convertible note with a face value of \$500,000 will convert into either 1 share in the Company or 6.88 million shares in the Company. Subsequently, on 7 September 2018, 6.88 million shares were issued on conversion of note.

	31 December 2018 \$
Share issue from 6.88 million shares issued following conversion of note (Note 7)	1,376,000
Finance Cost	(876,000)
Net proceeds	<u>500,000</u>

Note 7: Contributed equity

	31 December 2018		30 June 2018	
	\$	No. of shares	\$	No. of shares
Fully paid ordinary shares	11,539,480	62,880,000	100	100
Reconciliation of contributed equity				
Balance at beginning of period	100	100	-	-
Share placement @ \$1.00	-	-	100	100
Shares issued during the period:	-	-		
Share split (i)	3,600,000	17,999,900		
Share issue	500,000	5,000,000		
Share issue through conversion of convertible note (Note 6)	1,376,000	6,880,000		
Share issue through IPO	6,600,000	33,000,000		
Costs of capital raising	(536,620)	-		
Balance at end of period	<u>11,539,480</u>	<u>62,880,000</u>	<u>100</u>	<u>100</u>

- (i) The Company subdivided its existing share capital of 100 ordinary shares of \$1 each into 18,000,000 ordinary shares. The total paid up capital remains the same at \$100 and following the split each share on issue in the Company will have a paid-up amount of less than \$0.01.

Note 8: Share-Based Payments

On 7 September 2018 the Directors' and Key Management Personnel were invited to apply for options. The options are divided into 2 tranches and subject to service period vesting conditions. The options aim to recognise long-term performance by rewarding the Directors' and Key Management Personnel which will allow them to share in the growth in the value of the Company.

The Company recognises the share-based payments expense over the vesting period for any options granted.

	Number
Outstanding at 1 July 2018	-
Granted during the period	4,769,000

Norwest Minerals Ltd
Notes to the Interim Financial Statements
For the Period Ending 31 December 2018

Outstanding as at 31 December 2018	4,769,000
Vested and exercisable as at 31 December 2018	2,384,500

The fair value of the options was calculated using the Binomial option pricing model per the table below. The value of the options has been expensed on a proportionate basis for each period from grant date to vesting date.

	Grant Date	Vesting Date	Expiry Date	Exercise Price (\$)	Value per option (\$)	Probability	Share Options 31 December 2018 (Unit)	Condition	Share price on grant date (\$)	Volatility	Risk free rate	Vested and exercisable as at 31 December 2018
T1	7 September 2018	29 November 2018	6 September 2023	0.20	0.131	100%	2,384,500	Service period	0.20	95%	2.17%	2,384,500
T2	7 September 2018	29 November 2019	6 September 2023	0.25	0.123	100%	2,384,500	Service period	0.20	95%	2.17%	-

Options issued to Directors' and Key Management Personnel

Name	Tranche 1 Options Issued	Tranche 2 Options Issued
Charles Schaus	1,010,000	1,010,000
Michael Tilley	437,000	437,000
Yew Fei Chee	312,500	312,500
Ching Hong Loong	312,500	312,500
Kok Hou Leong	312,500	312,500

Note 9: Related party transactions

The key management personnel compensation is as follows:

	31 December 2018 \$	31 December 2017 \$
Short-term benefits	132,871	-
Post-employment benefits	12,623	-
Share-based payments (refer Note 8)	338,106	-
	<u>483,600</u>	<u>-</u>

Executive Service Agreement

The Company has entered into an executive employment agreement with its chief executive officer, Mr. Charles Schaus. Under the executive employment agreement:

- (a) Mr. Schaus is entitled to receive a base salary of \$250,000 per annum, inclusive of superannuation and benefits provided;
- (b) Mr. Schaus is entitled to participate in the Company's long-term incentive plan. A nominated entity of Mr Schaus has been issued 1,010,000 Tranche 1 Options and 1,010,000 Tranche 2 Options;
- (c) Mr. Schaus or the Company may terminate Mr Schaus' employment with three months' notice. The Company may terminate Mr. Schaus' employment for cause with one month's written notice and immediately on the occurrence of certain breaches specified in the executive employment agreement;
- (d) Mr. Schaus is subject to non-compete and non-solicit obligations for up to 9 months following termination of his employment with the Company.

Other key management personnel transactions

Director (s)	Transactions	31 December 2018 \$	31 December 2017 \$
Michael Tilley	Michael Tilley is non-executive director of Terrain Capital Limited and Norwest. Advisory fees, corporate finance services, IPO services, placement of shares. Refer note (i)	564,574	-
Yew Fei Chee	YF Chee Holdings Sdn Bhd is a company controlled by Yew Fei Chee. Refer note (ii)	Refer note (ii)	-

Norwest Minerals Ltd

Notes to the Interim Financial Statements For the Period Ending 31 December 2018

Kok Hou Leong	Merit Grace Global Limited is a company controlled by Kok Hou Leong. Refer note (ii)	Refer note (ii)	-
Dominic Marinelli, Benjamin Bell, Michael Ramsden	Dominic Marinelli (resigned), Benjamin Bell, Michael Ramsden (resigned) are directors of both Norwest and Australian Mines Limited. Refer note (ii)	Refer note (ii)	-
Benjamin Bell	Benjamin Bell is entitled to director fee of \$50,000 per annum inclusive of superannuation.		
		15,833	

- (i) The amount was paid to Terrain Capital Limited. Mr. Tilley is the non-executive chairman of Terrain Capital Limited but does not otherwise hold or control any equity interest in Terrain Capital Limited and received no benefit from the transaction. No amounts were owing to Terrain Capital Ltd at 31 December 2018.
- (ii) In July 2018 Australian Mines Ltd.'s Western Australian gold and base metal exploration assets were transferred to its then subsidiary, Norwest Minerals Pty Ltd. Norwest completed an Initial Public Offering (IPO) to raise \$6.6 million by the end of November 2018. Seed funding of \$1 million was raised and cornerstone investment agreements was signed for an additional \$4 million. The balance of \$2.6 million was offered to the public with a priority offer to Australian Mines Ltd shareholders. Post-listing, Australian Mines Ltd retained a 28.6% interest in Norwest Minerals.

Norwest and Australian Mines Ltd have entered into three separate agreements:

1. A Subscription and Convertible Note Agreement with CNG Global Ltd for \$1 million. These seed funds (\$500,000 relates to seed capital and \$500,000 relates to a convertible note described below) were utilised to pay anticipated costs associated with the IPO and refund Australian Mines certain costs and expenses already paid in relation to the IPO (including in relation to the transfer of assets to Norwest); and

One convertible note with face value of \$500,000 that converted into 6,800,000 shares in Norwest subsequent to CNG Global Ltd procured Cornerstone Investors ("Cornerstone Investors") to deposit a total of \$4 million in subscription moneys in the IPO under Cornerstone Agreements as described in paragraph (2) below.

2. Two Cornerstone Agreements with YF Chee Holdings Sdn Bhd ('YFC') and Merit Grace Global Limited ('MGG'), under which YFC and MGG respectively deposited \$3 million and \$1 million to Norwest prior to the IPO to subscribe for shares at \$0.20 per share under the public offer.

Other related party transactions

The Company paid \$415,961.96 to Australian Mines Ltd of which \$400,000 relates to payment for the purchase of Australian Mines Ltd.'s Western Australian gold and base metal exploration assets and \$15,961.96 relates to repayment of loan. No amounts were owing to Australian Mines Ltd at 31 December 2018.

Note 10: Events occurring after the reporting period

The directors are not aware of any other matters or circumstances that have arisen since the end of the period that significantly affected or may significantly affect the operation of the Company, the results of those operations, or the state of affairs of the Company in subsequent years.

Note 11: Commitments and Contingencies

There were no contracted commitments as at the reporting date. There are no contingent liabilities or contingent assets of the Company at reporting date.


Norwest Minerals Ltd

Directors' declaration Half Year Ended 31 December 2018

The directors declare that:

- (a) in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- (b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, and comply with AASB 134 Interim Financial Reporting and other mandatory professional reporting requirements, giving a true and fair view of the financial position and performance of the entity.

Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the *Corporations Act 2001*.

A handwritten signature in black ink, appearing to read 'M. J. Tilley', written in a cursive style.

Michael Tilley,
Director

Melbourne
8 March 2019

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Norwest Minerals Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Norwest Minerals Limited (the Company), which comprises the statement of financial position as at 31 December 2018, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year then ended, notes comprising a statement of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Company is not in accordance with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Company's financial position as at 31 December 2018 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Directors' responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2018 and its performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Independence

In conducting our review, 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 the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

BDO Audit (WA) Pty Ltd

BDO

A handwritten signature in black ink, appearing to read 'J Prue', written in a cursive style.

Jarrad Prue
Director

Perth, 8 March 2019