

Kingwest Resources Limited

ABN 58 624 972 185

Financial Report

for the period 13 March 2018, date of incorporation, to 30 April 2018

Kingwest Resources Limited
Directors' Report
For the period 13 March 2018 to 30 April 2018

The directors present their report, together with the financial statements of Kingwest Resources Limited (referred to hereafter as the 'company') for the financial period 13 March 2018 (date of incorporation) to 30 April 2018.

Directors

The following persons were directors of Kingwest Resources Limited during the whole of the financial period and up to the date of this report, unless otherwise stated:

Peter Bennetto (appointed 20 April 2018)
Stephen Woodham (appointed 13 March 2018)
Stephen Brockhurst (appointed 13 March 2018)
Shannon Davis (appointed 13 March 2018, resigned 9 May 2018)

Information on Directors

The names of directors who held office from incorporation until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Peter Bennetto

Non-Executive Chairman (Appointed 20 April 2018)

Mr Bennetto has over 30 years' experience in banking and investment. He has been involved in capital, currency and commodity markets with Societe Generale and Banque Indosuez. Peter has held a number of company director positions in exploration, mining and manufacturing companies listed on the ASX since 1990. Mr Bennetto is currently the Non-Executive Chairman of Ironbark Limited.

Stephen Woodham

Non-Executive Director (Appointed 13 March 2018)

Mr Woodham has over 15 years' experience in the mining and exploration industry in Western Australia and New South Wales. His area of specialisation includes field logistics and support and land access in rural and remote environments. He also has an extensive track record of tenement acquisition, mining investment and commercial and cross-cultural negotiation. Mr Woodham was a founding director of Centaurus Resources, and managing director of Tellus Resources.

Stephen Brockhurst

Non-Executive Director & Company Secretary (Appointed 13 March 2018)

Mr Brockhurst has 15 years' experience in the finance and corporate advisory industry and has been responsible for the preparation of the due diligence process and prospectuses on a number of initial public offers. His experience includes corporate and capital structuring, corporate advisory and company secretarial services, capital raising, ASX and ASIC compliance requirements.

Mr Brockhurst has served on the board and acted as Company Secretary for numerous ASX listed companies. He is currently a Director of Estrella Resources Limited, Roto-Gro International Limited and International Goldfields Limited and Company Secretary of Jacka Resources Limited, Lindian Resources Limited, Cabral Resources Limited, Raptor Resources Limited and Estrella Resources Limited.

Shannon Davis

Former Non-Executive Director (Appointed 13 March 2018, Resigned 9 May 2018)

Principal activities

The principal activity of the company is the acquisition and exploration of mineral projects in Australia and preparation for listing on the Australian Securities Exchange ('ASX').

Kingwest Resources Limited
Directors' Report
For the period 13 March 2018 to 30 April 2018

Review of operations

The loss for the company after providing for income tax was \$426,200.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the company during the financial period.

Matters subsequent to the end of the financial year

On 3 May 2018 the Company issued 100,000 Convertible Notes with a face value of \$1.00 each to raise \$100,000 at an interest rate of 8% per annum. The notes are convertible by the company into shares at \$0.10 per ordinary share to be converted within 15 days after the Company is admitted to the official list of the ASX. As at 30 April 2018 the Company had received \$50,000 proceeds from the convertible notes and this amount is included within trade and other payables at 30 April 2018. The balance of \$50,000 was received on 2 May 2018.

On 4 May 2018 the Company entered into a conditional share purchase deed, pursuant to which the Company will acquire 100% of the issued capital of Roman Kings Limited ('Roman Kings'). Roman Kings is an Australian unlisted public Company with tenements located in Western Australia that are prospective for gold, base metals and other precious metals.

On 9 May 2018 Shannon Davis resigned as Non-Executive Director.

On 11 May 2018 the Company entered into an agreement, whereby Roman Kings will acquire an additional 24% in two tenements from Messina Mining Limited, bringing Roman Kings' total interest in the tenements to 75% by paying \$250,000 from the proceeds from the Company's IPO. Additionally, the Company has entered into an agreement to fund Roman Kings \$240,000 from the IPO proceeds to allow Roman Kings to discharge its existing royalty obligations owing to Messina Mining for the two tenements.

The Company entered into various agreements with CIO in May 2018 to acquire various mineral leases for total consideration of up to 3,000,000 shares. 2,800,000 shares will be issued immediately prior to listing with the balance of 200,000 shares to be issued post listing subject to the company exercising its option for the transfer of two tenements.

Other than the above, there are no matters or circumstances that have arisen since 30 April 2018 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Likely developments and expected results of operations

The company will continue to pursue its main objective of developing interests in exploration projects and listing on the ASX.

Further information about likely developments in the operations of the company and the expected results of those operations in future financial years have not been included in this report because disclosure of such information would likely result in unreasonable prejudice to the company.

Environmental regulation

The company is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Shares under option

There are 15,750,000 unissued ordinary shares of the company under option at the date of this report.

Shares issued on the exercise of options

There were no ordinary shares of the company issued on the exercise of options during the financial period ended 30 April 2018 and up to the date of this report on exercise of options.

Kingwest Resources Limited
Directors' report
For the period 13 March 2018 to 30 April 2018

Indemnity and insurance of auditor

The company has not, during or since the end of the financial period, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial period, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Indemnity and insurance of officers

The company is in the process of indemnifying the directors and executives of the company, to the extent permitted by the Corporations Act 2001, against all loss and liability incurred as an officer of the company, including all liability in defending any relevant proceedings.

Proceedings on behalf of the company

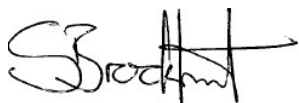
No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

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 immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



Stephen Brockhurst
Director

11 May 2018
Perth

RSM Australia Partners

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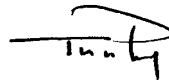
AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Kingwest Resources Limited for the financial period 13 March 2018 to 30 April 2018, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.



RSM AUSTRALIA PARTNERS



TUTU PHONG
Partner

Perth, WA
Dated: 11 May 2018

Kingwest Resources Limited
Contents
Financial Report for the period 13 March 2018 to 30 April 2018

Contents

Statement of profit or loss and other comprehensive income	6
Statement of financial position	7
Statement of changes in equity	8
Statement of cash flows	9
Notes to the financial statements	10
Directors' declaration	17
Independent auditor's report to the members of Kingwest Resources Limited	18

General information

The financial statements are presented in Australian dollars, which is Kingwest Resources Limited's functional and presentation currency.

Kingwest Resources Limited is an unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Level 11
216 St Georges Terrace
Perth WA 6000

A description of the nature of the company's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 11 May 2018. The directors have the power to amend and reissue the financial statements.

Kingwest Resources Limited
Statement of profit or loss and other comprehensive income
For the period 13 March 2018 to 30 April 2018

	Note	13 March 2018 to 30 April 2018 \$
Expenses		
Accounting and audit fees		(15,645)
Corporate advisory fees		(65,000)
Consultancy fees		(50,000)
Director fees		(19,710)
Legal expenses		(31,907)
Exploration expenses		(38,281)
Share based payment expense	7	(189,093)
Other expenses		(16,564)
Total expenses		<u>(426,200)</u>
Loss before income tax expense		(426,200)
Income tax expense		<u>-</u>
Loss after income tax expense for the period		(426,200)
Total comprehensive loss for the period		<u><u>(426,200)</u></u>

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

Kingwest Resources Limited
Statement of financial position
As at 30 April 2018

	Note	30 April 2018 \$
Assets		
Current assets		
Cash and cash equivalents	3	361,340
Other receivables	4	656,805
Total current assets		<u>1,018,145</u>
Total assets		<u>1,018,145</u>
Current liabilities		
Trade and other payables	5	148,655
Total current liabilities		<u>148,655</u>
Total liabilities		<u>148,655</u>
Net assets		<u><u>869,490</u></u>
Equity		
Issued capital	6	501,500
Share based payment reserve	7	794,190
Accumulated losses		<u>(426,200)</u>
Total equity		<u><u>869,490</u></u>

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

Kingwest Resources Limited
Statement of changes in equity
For the period 13 March 2018 to 30 April 2018

	Issued capital	Share based payment Reserve	Accumulated losses	Total equity
	\$	\$	\$	\$
Balance at 13 March 2018 (date of incorporation)	-	-	-	-
Loss after income tax expense for the period	-	-	(426,200)	(426,200)
Total comprehensive loss for the period	-	-	(426,200)	(426,200)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs	501,500	-	-	501,500
Share based payment	-	794,190	-	794,190
Balance at 30 April 2018	<u>501,500</u>	<u>794,190</u>	<u>(426,200)</u>	<u>869,490</u>

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

Kingwest Resources Limited
Statement of cash flows
For the period 13 March 2018 to 30 April 2018

	Note	13 March 2018 to 30 April 2018 \$
Cash flows from operating activities		
Payments to suppliers and employees		(151,879)
Payments for pre-acquisition exploration and evaluation expenditure		<u>(38,281)</u>
Net cash used in operating activities	8	<u>(190,160)</u>
Cash flows from investing activities		
Net cash used in investing activities		<u>-</u>
Cash flows from financing activities		
Proceeds from issue of shares		501,500
Proceeds from convertible note (not yet issued)		<u>50,000</u>
Net cash from financing activities		<u>551,500</u>
Net increase in cash and cash equivalents		361,340
Cash and cash equivalents at the beginning of the financial period		<u>-</u>
Cash and cash equivalents at the end of the financial period	3	<u><u>361,340</u></u>

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

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below.

New or amended Accounting Standards and Interpretations adopted

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation

In the directors' opinion, the company is not a reporting entity because there are no users dependent on general purpose financial statements.

These are special purpose financial statements that have been prepared for the purposes of complying with the Corporations Act 2001 requirements to prepare and distribute financial statements to the owners of Kingwest Resources Limited. The directors have determined that the accounting policies adopted are appropriate to meet the needs of the owners of Kingwest Resources Limited.

These financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the disclosure requirements of AASB 101 'Presentation of Financial Statements', AASB 107 'Statement of Cash Flows', AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors', AASB 1048 'Interpretation of Standards' and AASB 1054 'Australian Additional Disclosures', as appropriate for for-profit oriented entities.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to the company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

Note 1. Significant accounting policies (continued)

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

Trade and other receivables

Other receivables are recognised at amortised cost, less any provision for impairment.

Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Exploration and evaluation expenditure

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest when the company has rights to the area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made. When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Kingwest Resources Limited
Notes to the financial statements
For the period 13 March 2018 to 30 April 2018

Note 1. Significant accounting policies (continued)

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Comparatives

There is no comparative information as the company was incorporated on 13 March 2018.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the company for the reporting period ended 30 April 2018. The company has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed below.

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. The fair value is determined by using a valuation model taking into account the terms and conditions upon which the instruments were granted.

	30 April 2018
	\$
Note 3. Current assets - cash and cash equivalents	
Cash at bank	361,340
	<u>361,340</u>

	30 April 2018
	\$
Note 4. Current assets – other receivables	
Share issue costs incurred ¹	24,502
Share based payment related to the IPO ¹	605,097
GST receivable	21,206
Prepayments	6,000
	<u>656,805</u>

Kingwest Resources Limited
Notes to the financial statements
For the period 13 March 2018 to 30 April 2018

Note 4. Current assets – other receivables (continued)

¹ Costs incurred in relation to the IPO will be offset against share proceeds received from the IPO in equity upon ASX listing. In the event that the Company does not successfully list on the ASX the costs incurred will be expensed in the statement of profit or loss and other comprehensive income.

30 April 2018
\$

Note 5. Current liabilities – trade and other payables

Trade creditors	87,880
Accruals	10,775
Convertible note funds received but not yet issued	50,000
	<u>148,655</u>

Note 6. Equity - issued capital

	30 April 2018 Shares	30 April 2018 \$
Ordinary shares - fully paid	<u>10,010,000</u>	<u>501,500</u>

Movements in ordinary share capital

Details	Date	No of shares	\$
Balance at incorporation	13 March 2018	10,000	1,000
Foundation shares issued	13 March 2018	5,000,000	500
Seed shares issued	15 March 2018	1,500,000	150,000
Seed shares issued	26 April 2018	3,500,000	350,000
Balance		<u>10,010,000</u>	<u>501,500</u>

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Kingwest Resources Limited
Notes to the financial statements
For the period 13 March 2018 to 30 April 2018

Note 7. Equity – share based payments reserve

	30 April 2018	30 April 2018
	Unlisted Options	
	No.	\$
Share based payment to directors	3,750,000	189,093
Share based payment to brokers	12,000,000	605,097
	<u>15,750,000</u>	<u>794,190</u>

Movements in ordinary share capital

Details	Grant Date	No of options	Fair value per option \$
Unlisted options issued to directors exercisable at \$0.20 on or before 30 June 2021	26 April 2018	3,750,000	\$0.05
Unlisted options issued to brokers of the IPO exercisable at \$0.20 on or before 30 June 2021	26 April 2018	12,000,000	\$0.05

The options issued during the period were calculated using the Black-Scholes option pricing model with the following inputs:

	Options Granted
Expected volatility (%)	100
Risk free interest rate (%)	1.9
Weighted average expected life of options (years)	3.2
Expected dividends	Nil
Option exercise price (\$)	0.20
Share price at grant date (\$)	0.10
Fair value of option (\$)	0.05042
Number of options	15,750,000
Expiry date	30 June 2021

Kingwest Resources Limited
Notes to the financial statements
For the period 13 March 2018 to 30 April 2018

Note 8. Reconciliation of loss after income tax to net cash used in operating activities

	30 April 2018
	\$
Loss after income tax expense for the period	(426,200)
Non-cash adjustments:	
Share based payment expense	189,093
Change in operating assets and liabilities:	
Trade and other receivables	(51,708)
Trade and other payables	98,655
Net cash used in operating activities	<u>(190,160)</u>

Note 9. Contingent assets

The company has no contingent assets as at 30 April 2018.

Note 10. Contingent liabilities

The company has no contingent liabilities as at 30 April 2018.

Note 11. Capital and other commitments

The company has entered into various corporate and administrative agreements as at reporting date that are not recognised as liabilities. The total minimum expenditure commitments within 12 months of reporting date are \$306,091.

The company has no other capital or expenditure commitments as at 30 April 2018.

Note 12. Events subsequent to reporting date

On 3 May 2018 the Company issued 100,000 Convertible Notes with a face value of \$1.00 each to raise \$100,000 at an interest rate of 8% per annum. The notes are convertible by the company into shares at \$0.10 per ordinary share to be converted within 15 days after the Company is admitted to the official list of the ASX. As at 30 April 2018 the Company had received \$50,000 proceeds from the convertible notes and this amount is included within trade and other payables at 30 April 2018. The balance of \$50,000 was received on 2 May 2018.

On 4 May 2018 the Company entered into a conditional share purchase deed, pursuant to which the Company will acquire 100% of the issued capital of Roman Kings Limited ('Roman Kings'). Roman Kings is an Australian unlisted public Company with tenements located in Western Australia that are prospective for gold, base metals and other precious metals.

On 9 May 2018 Shannon Davis resigned as Non-Executive Director.

On 11 May 2018 the Company entered into an agreement, whereby Roman Kings will acquire an additional 24% in two tenements from Messina Mining Limited, bringing Roman Kings' total interest in the tenements to 75% by paying \$250,000 from the proceeds from the Company's IPO. Additionally, the Company has entered into an agreement to fund Roman Kings \$240,000 from the IPO proceeds to allow Roman Kings to discharge its existing royalty obligations owing to Messina Mining for the two tenements.

The Company entered into various agreements with CIO in May 2018 to acquire various mineral leases for total consideration of 3,000,000 shares. 2,800,000 shares will be issued immediately prior to listing with the balance of 200,000 shares to be issued post listing subject to the exercise by the company of its option for the transfer of two tenements.

Kingwest Resources Limited
Notes to the financial statements
For the period 13 March 2018 to 30 April 2018

Other than the above, there are no matters or circumstances that have arisen since 30 April 2018 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

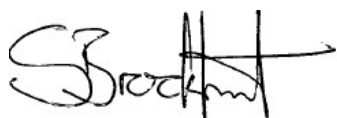
Kingwest Resources Limited
Directors' Declaration
For the period 13 March 2018 to 30 April 2018

In the directors' opinion:

- the company is not a reporting entity because there are no users dependent on general purpose financial statements. Accordingly, as described in note 1 to the financial statements, the attached special purpose financial statements have been prepared for the purposes of complying with the Corporations Act 2001 requirements to prepare and distribute financial statements to the owners of Kingwest Resources Limited;
- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards as described in note 1 to the financial statements, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 April 2018 and of its performance for the financial period ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



Stephen Brockhurst
Director

11 May 2018
Perth

RSM Australia Partners

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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
KINGWEST RESOURCES LIMITED**

Opinion

We have audited the financial report of Kingwest Resources Limited (the Company), which comprises the statement of financial position as at 30 April 2018, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the financial period 13 March 2018 to 30 April 2018, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Company's financial position as at 30 April 2018 and of its financial performance for the financial period 13 March 2018 to 30 April 2018; and
- (ii) complying with Australian Accounting Standards to the extent described in Note 1 and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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 report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Basis of Accounting

We draw attention to Note 1, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

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RSM Australia Partners ABN 36 965 185 036

Liability limited by a scheme approved under Professional Standards Legislation

Other Information

The directors are responsible for the other information. The other information comprises the directors' report and contents page for the financial period 13 March 2018 to 30 April 2018, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

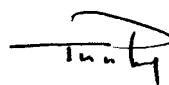
Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.



RSM AUSTRALIA PARTNERS



TUTU PHONG
Partner

Perth, WA
Dated: 11 May 2018