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Kingwest Resources Ltd

ASX: KWR

Shares on Issue
242,973,025

Directors & Management

Chairman
Gregory Bittar

CEO
Ed Turner

Non Executive Directors
Adrian Byass
Jonathan Downes
Jon Price

Company Secretary
Stephen Brockhurst

Principal Place of Business
Unit 3, Churchill Court
335 Hay Street
Subiaco WA 6008

Registered Office
Level 11
216 St Georges Terrace
Perth WA 6000

Contact

T 08 9481 0389
E admin@kingwestresources.com.au
W www.kingwestresources.com.au

Investor Relations

Lucas Robinson
T +61 408 228 889
E lucas@corporatetorytime.com

Nickel sulphide exploration to follow current aircore extension drilling at Lake Goongarrie gold discovery

- 11km of the nickel-fertile Highway Ultramafic unit to be tested at Lake Goongarrie
- Limited previous exploration has been largely ineffective due to at times thick lake sediment cover
- The Highway Ultramafic hosts significant “Kambalda-style” nickel sulphide deposits along strike to the south including Auroch Minerals emerging Saints deposits¹ as well as the historic Scotia Mine which produced 30,800t Ni metal between 1969 and 1977²
- Initial 3,000m aircore drilling programme is scheduled to follow the current Sir Laurence Gold Discovery extension drilling, taking advantage of the drill rig already onsite

CEO, Ed Turner commented *“We are now finally in a position to commence meaningful and effective exploration for nickel sulphide mineralisation within our Lake Goongarrie Project, following the flying of a detailed aeromagnetic survey in late 2021. Kingwest’s Goongarrie tenement package hosts multiple nickel exploration targets directly along strike of the Kambalda-style, komatiite-hosted, ‘Saints’ channel nickel sulphide deposits. The 11km continuation of the nickel-fertile Highway Ultramafic within our land holdings holds great discovery potential for nickel. This potential is in addition to the excellent gold prospects we have within the Goongarrie Project”.*

DISCUSSION

Following the success of Kingwest’s gold exploration on the western side of Lake Goongarrie, which has demonstrated their ability to access and explore this extremely difficult terrain, the company has now commenced nickel exploration on the eastern side of the lake.

Kingwest will be exploring an **11km strike length of the nickel-fertile Highway Ultramafic within the E29/996 and E29/966 licences** (Figure 1). This section of the ultramafic is entirely covered by salt-lake sediments, and not unlike the Sir Laurence area, has had little effective previous exploration due to vehicle access and drilling problems in this boggy ground.

Just **500 metres south** of the company's tenements, the same Highway Ultramafic unit is host to the **'Saints' nickel sulphide deposits**. These are a series of nickel sulphide lenses that were discovered by Western Mining Corporation in the 1990s. **They include a JORC 2012 resource of 1.05Mt @ 2.0% Ni, 0.2% Cu and 0.06% Co, for 21,400 tonnes of contained nickel, 1,600 tonnes of contained copper and 600t of contained cobalt¹.**

The Saints nickel deposits are currently being explored by Auroch Minerals, who have recently reported an intersection of 1.77m @ 6.72% Ni, 0.27% Cu, including 0.5m @ 9.98% Ni and 0.25% Cu¹.

15km to the south of the Saints nickel deposits, the Highway Ultramafic is also host to the historic Scotia underground nickel mine. This nickel sulphide body was mined by Western Mining Corporation from 1969 to 1977, when the mine was closed prematurely due to a crown pillar collapse. **The Scotia mine produced 30,800t of nickel at 2.2% Ni, and has a remaining ore reserve of 17,500t of nickel at 2.14% Ni².**

The company's nickel exploration target at Goongarrie is a series of repetitions of the Kambalda-style, komatiite-hosted, Saints channel nickel sulphide deposits, along the 11km of prospective ultramafic that lie beneath lake sediments within Kingwest's Goongarrie tenements.

Initial exploration will consist of approximately 3,000m of track-mounted vertical aircore drill holes. These will be drilled on seven cross sections, spaced at regular intervals along the aeromagnetically-interpreted strike of the ultramafic. This will confirm the subsurface limits of the ultramafic unit, as interpreted from Kingwest's recent high-resolution aeromagnetic survey, and locate the exact position of the prospective basal contact. It will also serve as a regional geochemical reconnaissance for nickel gossans and sulphides that have intersected the geochemically active alluvium/bedrock interface.

This drilling will follow on from the current 4,000m aircore program that is testing for extensions to the Sir Laurence Gold Discovery.

This will be followed by a program of detailed infill aircore drilling along strike between sections, which will directly target the geochemical haloes of any nickel sulphide deposits that lie between the reconnaissance sections.

Nickel sulphide prospects generated by this aircore drilling can be then drilled out using the lake-capable diamond drilling rig that is currently being prepared for the Sir Laurence follow up program.

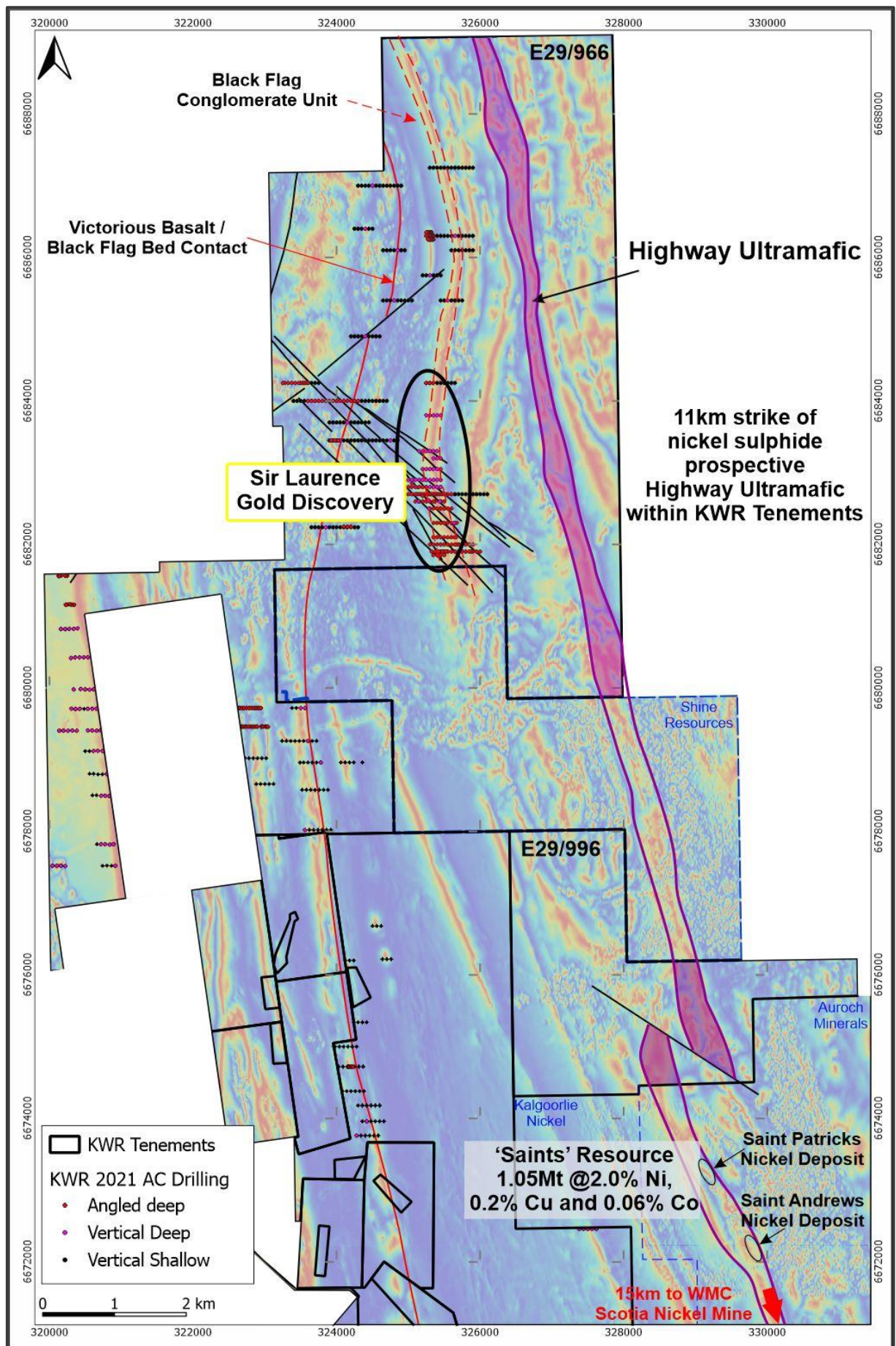


Figure 1: Lake Goongarrie tenement holdings and Highway Ultramafic location which is prospective for nickel sulphide mineralisation

ABOUT KINGWEST's MENZIES GOLD PROJECT (MGP) AND GOONGARRIE GOLD PROJECT (GGP)

The **MGP** is one of Western Australia's major historic gold fields. Located 130km north of the globally significant gold deposits of Kalgoorlie (Figure 2). The MGP covers a contiguous land package over a strike length in excess of 15km. Within the MGP a series of structurally controlled high-grade gold deposits have been historically mined and display extensive exploration potential for high-grade extensions. Modern exploration since closure over 20 years ago has been limited.

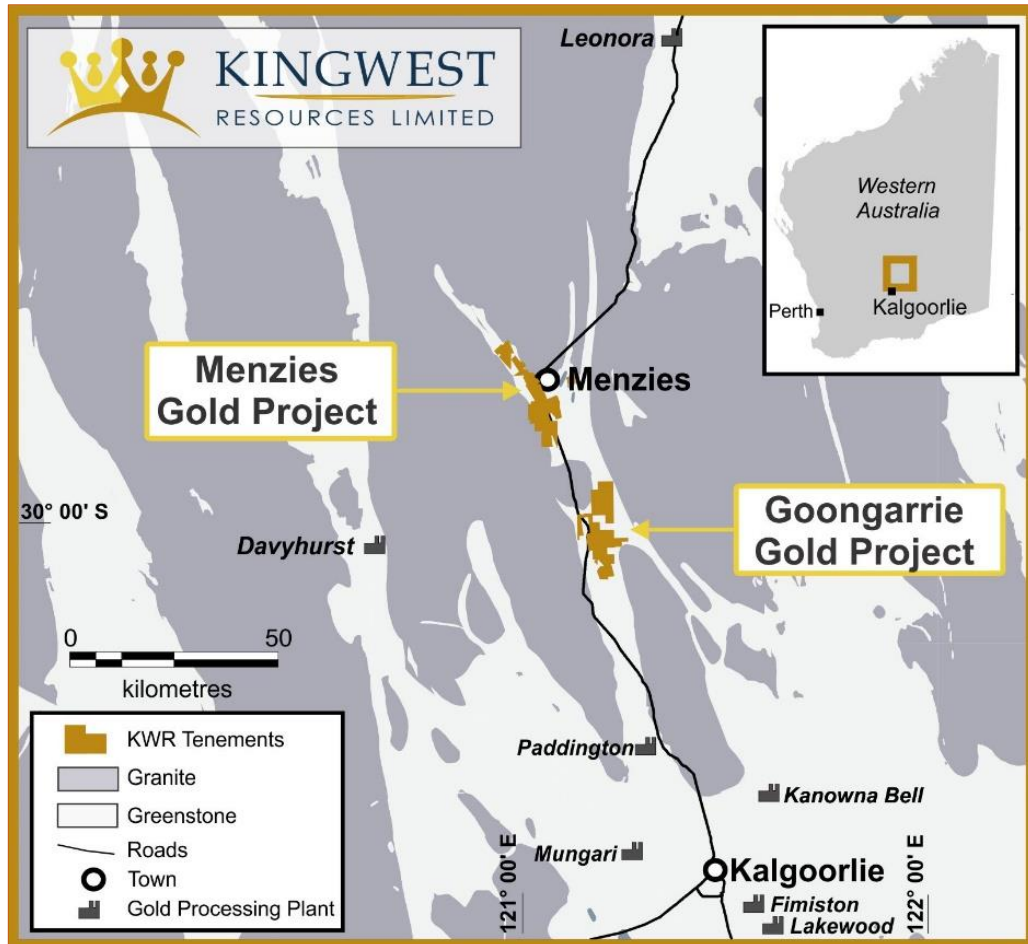


Figure 2: MGP and GGP locations

The **MGP** has recorded historical production of **643,200 oz @ 22.5g/t Au³** from underground (U/G) between 1895 and 1943 plus **145,000 oz @ 2.6g/t Au³** open cut between 1995 and 1999, for a total of **787,200 oz @ 18.9g/t³ Au**.

The MGP is hosted within the Menzies Shear Zone. All deposits lie within granted Mining Leases and are 100% owned by KWR (Figure 3). **Current JORC mineral resources total 475,100 oz @ 1.35 g/t Au⁴** using a 0.5 g/t Au cut-off (Table 1) **or 346,100 oz @ 2.06 g/t Au⁴** using a 1.0 g/t Au cut-off (Table 2).

Importantly the MGP lies on the Goldfields Highway, has power and water and is within trucking distance of numerous Gold Processing Plants.

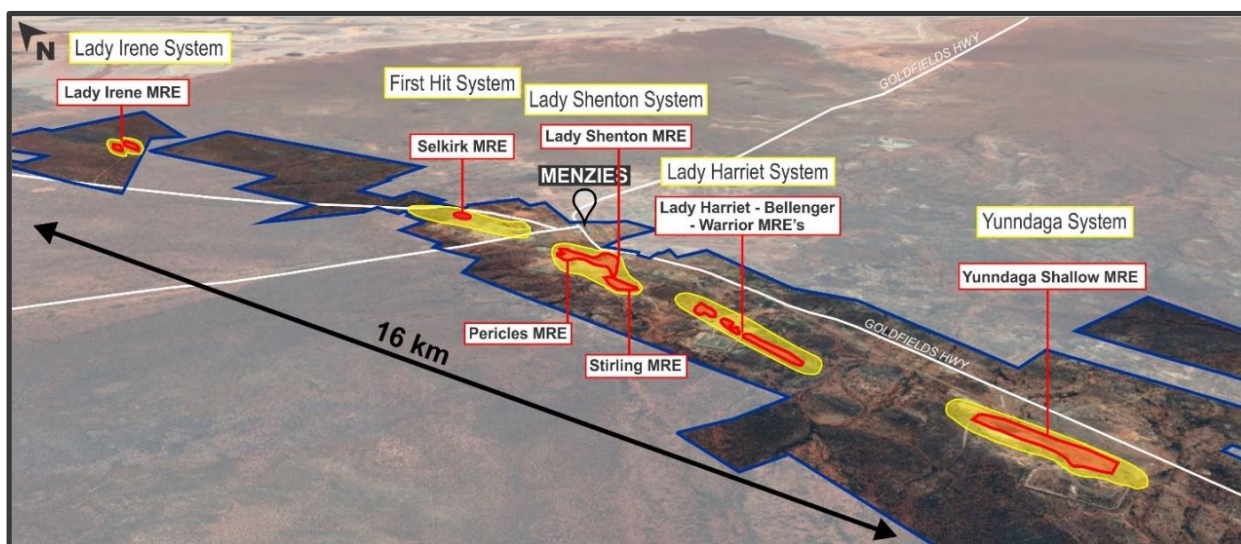


Figure 3: MGP aerial view showing the main mineralised systems as well as the MRE locations

Table 1: Menzies Project Mineral Resource Estimates, September 2021 above 0.5 g/t Au⁴

Deposit	Indicated			Inferred			Total		
> 0.5 Au	Mt	Au g/t	Ounces	Mt	Au g/t	Ounces	Mt	Au g/t	Ounces
Yundaga*	1.27	1.31	53,600	2.50	1.40	111,600	3.76	1.36	165,300
Pericles	2.31	1.27	94,600	1.64	1.21	63,900	3.95	1.25	158,500
Stirling	0.24	1.48	11,500	0.74	1.52	36,300	0.98	1.52	47,800
Lady Shenton				0.85	1.59	43,300	0.85	1.59	43,300
Lady Harriet	0.17	2.11	11,800	0.32	1.14	11,600	0.49	1.48	23,300
Bellenger	0.32	0.92	9,400	0.08	0.89	2,400	0.40	0.91	11,800
Selkirk	0.03	6.25	6,200	0.14	1.21	5,300	0.17	2.15	11,500
Warrior	0.03	1.37	1,200	0.19	1.11	6,700	0.22	1.15	8,000
Lady Irene				0.10	1.73	5,600	0.10	1.73	5,600
Total	4.37	1.34	188,300	6.56	1.35	286,700	10.92	1.35	475,100

Table 2: Menzies Project Mineral Resource Estimates, September 2021 above 1.0 g/t Au⁴

Deposit	Indicated			Inferred			Total		
> 1.0 Au	Mt	Au g/t	Ounces	Mt	Au g/t	Ounces	Mt	Au g/t	Ounces
Yundaga*	0.44	2.51	35,400	0.97	2.54	79,100	1.40	2.53	114,600
Pericles	1.16	1.82	68,000	0.83	1.67	44,300	1.99	1.76	112,300
Stirling	0.15	1.94	9,500	0.43	2.12	29,300	0.58	2.08	38,800
Lady Shenton	-	-	-	0.63	1.87	38,000	0.63	1.87	38,000
Lady Harriet	0.13	2.62	10,700	0.13	1.68	7,000	0.26	2.14	17,700
Selkirk	0.03	6.35	6,200	0.03	2.95	3,200	0.06	4.55	9,400
Bellenger	0.09	1.43	4,400	0.02	1.24	1,000	0.12	1.39	5,400
Warrior	0.02	1.93	1,000	0.09	1.55	4,400	0.10	1.61	5,400
Lady Irene	-	-	-	0.06	2.40	4,500	0.06	2.40	4,500
Total	2.02	2.08	135,200	3.19	2.05	210,800	5.20	2.06	346,100

The **GGP** is located approximately 40km south of the MGP and 90km north of Kalgoorlie.

The **GGP** is a contiguous land package covering approximately 125 square km over a strike length in excess of 25km. Within the GGP a series of structurally controlled high-grade gold deposits have been historically mined and these display potential for high-grade extensions. Modern exploration since closure of the mines over 20 years ago has been limited.

The GGP sits within the Bardoc Tectonic Zone (BTZ) which extends south to Kalgoorlie and north to Menzies. All resources lie within granted Mining Leases and are 100% owned by KWR.

Importantly the GGP lies only 90km north of Kalgoorlie on the Goldfields Highway and is within trucking distance of numerous Gold Processing Plants. Kingwest has so far delineated 10 main gold target areas that justified drill testing. Two of these have already resulted in new discoveries, **these being within Target A9 and Target A10**, which has now been named **Sir Laurence** (Figure 4).

First pass aircore drilling in February returned stellar gold intersections within **Target A9** including **6m @ 17.2 g/t Au** from 94m within **38m @ 3.1 g/t Au** from 62m in KGA038 to end of hole (blade refusal) and **4m @ 2.5 g/t Au** from 74m within **8m @ 1.3 g/t Au** from 74m in KGA 039 (adjacent hole, 60m east of KGA038)⁵. Follow up RC drilling intersected **20m @ 2.55 g/t Au** incl. **8m @ 4.94 g/t Au** from 72m in KGR001, **4m @ 2.18 g/t Au** from 64m in KGR004, **8m @ 1.43 g/t Au** from 44m in KGR007⁶. These lie 7km north of Bardoc Gold's 1.7M oz Aphrodite deposit (Figure 5).

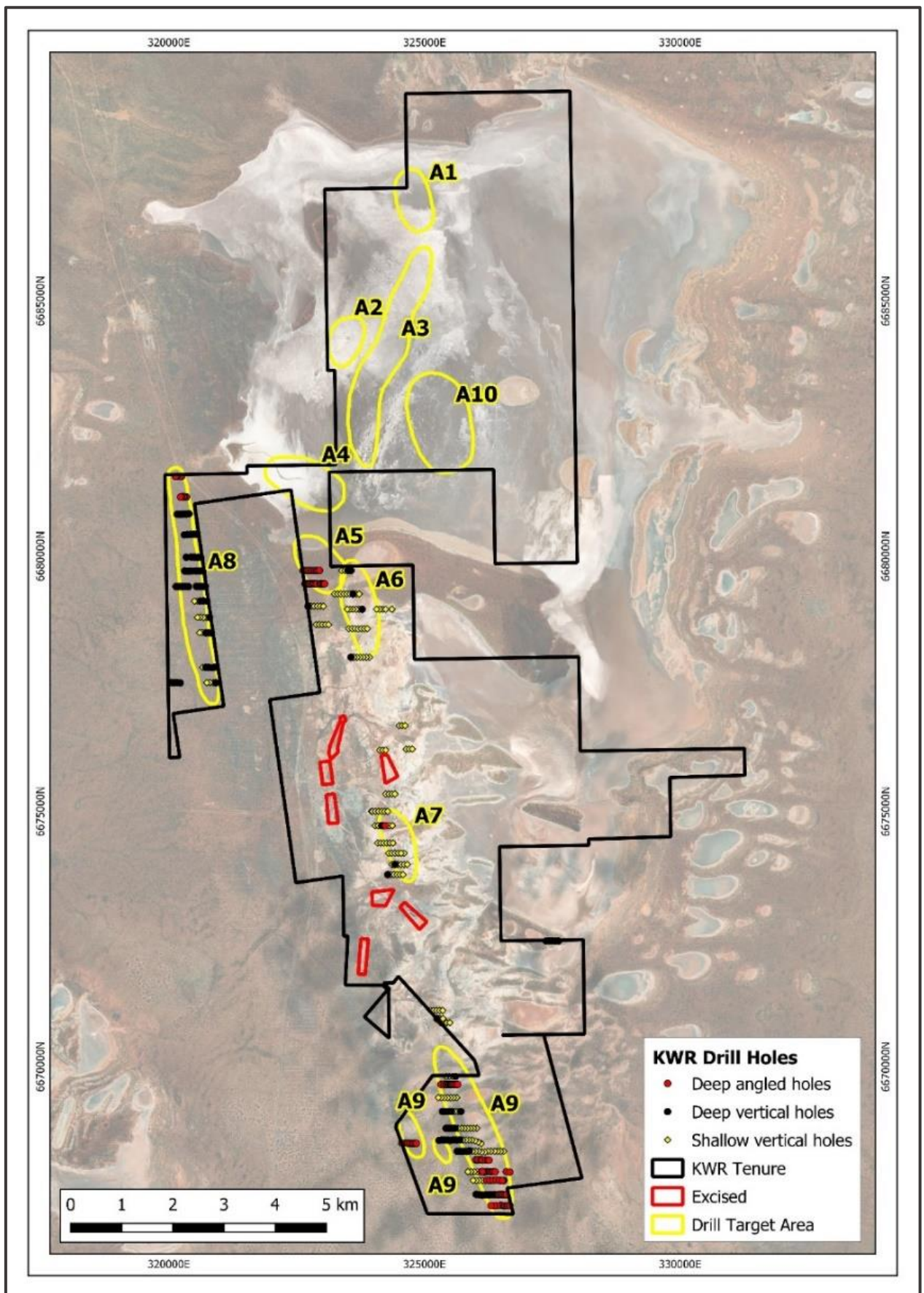


Figure 4: GGP target locations on satellite background

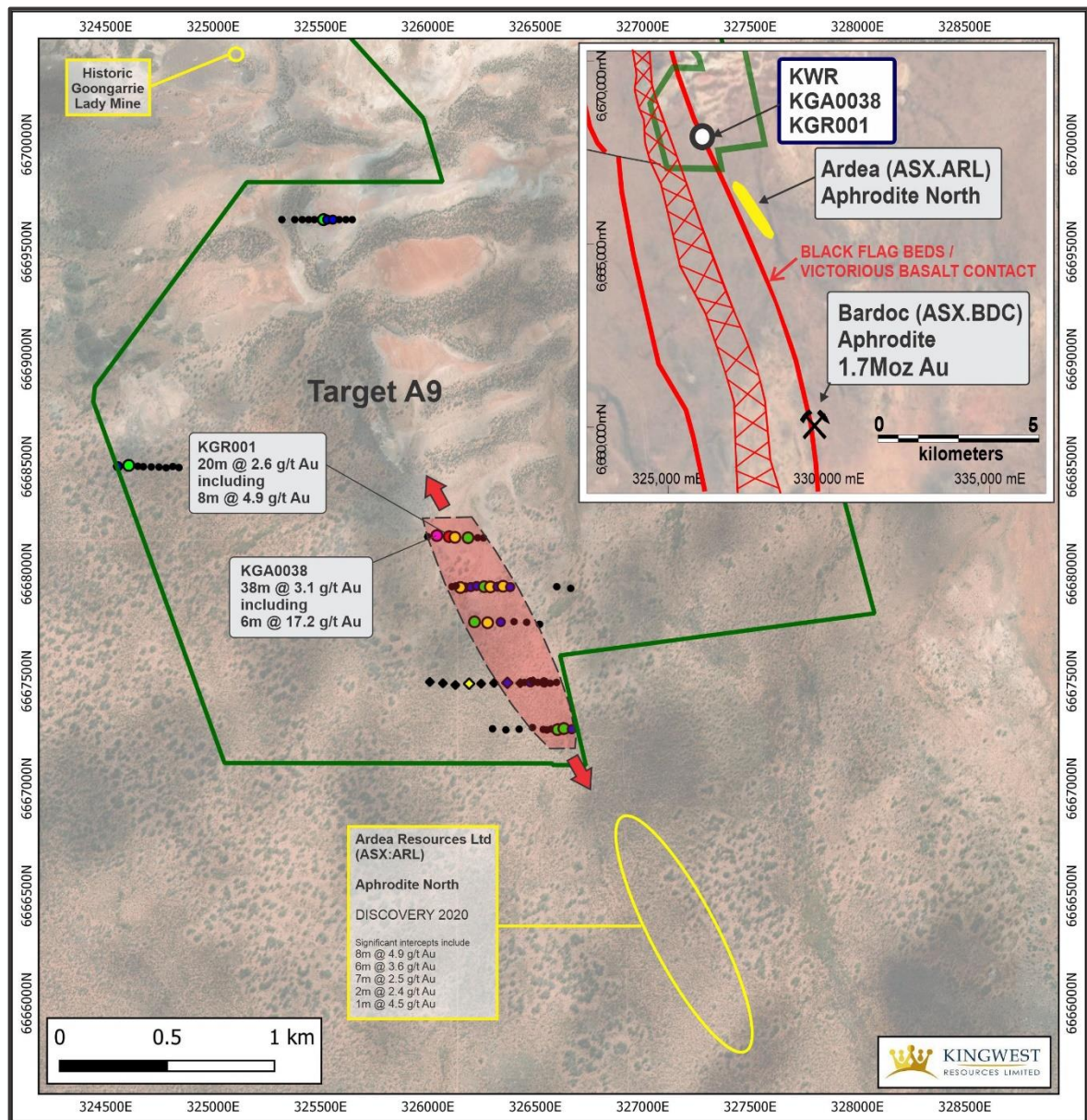


Figure 5: Location plan of KWR's target A9

References

- ¹ <https://www.aurochminerals.com/project/saints-nickel-project/>
- ² <http://www.portergeo.com.au/database/mineinfo.asp?mineid=mn377>
- ³ As announced to the ASX on 9 July 2019 (ASX:KWR)
- ⁴ As announced to the ASX on 6 September 2021 (ASX:KWR)
- ⁵ As announced to the ASX on 1 February 2021 (ASX:KWR)
- ⁶ As announced to the ASX on 29 July 2021 (ASX:KWR)

Forward-Looking Statements

This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning Kingwest Resources Limited's planned exploration program and other statements that are not historical facts. When used in this document, the words such as "could," "plan," "expect," "intend," "may", "potential," "should," and similar expressions are forward-looking statements. Although Kingwest believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that further exploration will result in the estimation of a Mineral Resource.

Competent Person Statement

The information in this report that relates to Exploration results is based on information compiled by Mr Laurence Kirk who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Kirk is a Consultant Geologist to Kingwest Resources Limited. Mr Kirk has sufficient experience that is relevant to the style of mineralisation, type of deposit under consideration and to the activity that they are undertaking to qualify as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' and consents to the inclusion in this report of the matters based on their information in the form and context in which they appear.

Compliance Statement

With reference to previously reported Exploration results and mineral resources, the company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

-Ends-

The Board of Kingwest Resources Limited authorised this announcement to be given to ASX.

Further information contact:

Ed Turner

CEO

T: +61 8 9481 0389

E: admin@kingwestresources.com.au