

**Kingwest Resources Ltd**

**ASX: KWR**

**Shares on Issue**  
50,810,000

**Directors & Management**

**Chairman**  
Peter Bennetto

**Director / CEO**  
Stephen Woodham

**Non-Executive Director**  
Stephen Brockhurst

**Company Secretary**  
David McEntaggart

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30 January 2019

**ASX via Electronic Lodgement**

**Quarterly Report**  
**for the period ending 31 December 2018**

**Highlights**

- Significant exploration activity during the quarter highlights the gold prospectivity of the historically underexplored Kingwest package
- Spectacular high - grade mineralisation intercepted at King of the West, including  
5m @ 26.67g/t Au, 10g/t Ag from 66m in hole KWRC007
- Additional gold bearing rock chip results returned at King of the West Project with values to 17.4g/t Au.
- Aircore drilling on the eastern margin of the Crawford resource area returns  
3m @ 1.14 g/t Au from 33m in hole CAC001  
7m @ 13.04 g/t Au from 42m to end of hole in hole CAC005  
6m @ 0.65 g/t Au from surface in hole CAC010
- Aircore drilling along the trend of the Emperor Structure has located extensive anomalous gold.
- Reconnaissance aircore drilling at the Roman Well Project returns anomalous gold results.
- Multiple gold bearing rock chip results returned at Gilmour Prospect with values to 1.38g/t Au

West Australian focussed gold explorer, Kingwest Resources is pleased to present the December 2018 Quarterly Report.

## King of the West Project (KWR 100%)

E37/1253

Exploration at the King of the West project has consisted of rock chip sampling that has returned multiple high - grade samples on several outcropping quartz lodes with historic workings from the period 1897 to 1940. (Refer to KWR ASX announcements 6 September 2018, 21 November 2018 and 7 January 2019). Sampling has identified 4 east – west trending lodes, with significant gold rock chip results, as follows:

- i. King of the West Mine and lode. Multiple high-grade rock chip results, up to 168g/t Au, 45g/t Ag, and visible gold recovered from a 300m extent of shafts and prospecting pits.
- ii. Duke of the West Lode. A 200m strike of vein quartz outcrop, shafts and pits with rock chip results to 4.92g/t Au.
- iii. Prince of the West Mine and lode. A 100m strike of quartz lode with 3 shafts and stoping to more than 20m deep. Rock chip values to 8.18g/t Au.
- iv. Queen of the West Lode. A 600m strike length of shafts, pits and quartz lode outcrops with rock chip values to 17.4g/t Au.

An additional significant set of historic workings, (Teutonic Extended) are present in an embayment into the King of the West licence. Further, in close proximity to the north is the Bundarra Gold Project, operated by Bligh Resources, where a resource containing 660,000oz gold was recently announced in similar quartz lodes and shear zones, (see BGH ASX announcement 18 December 2018).

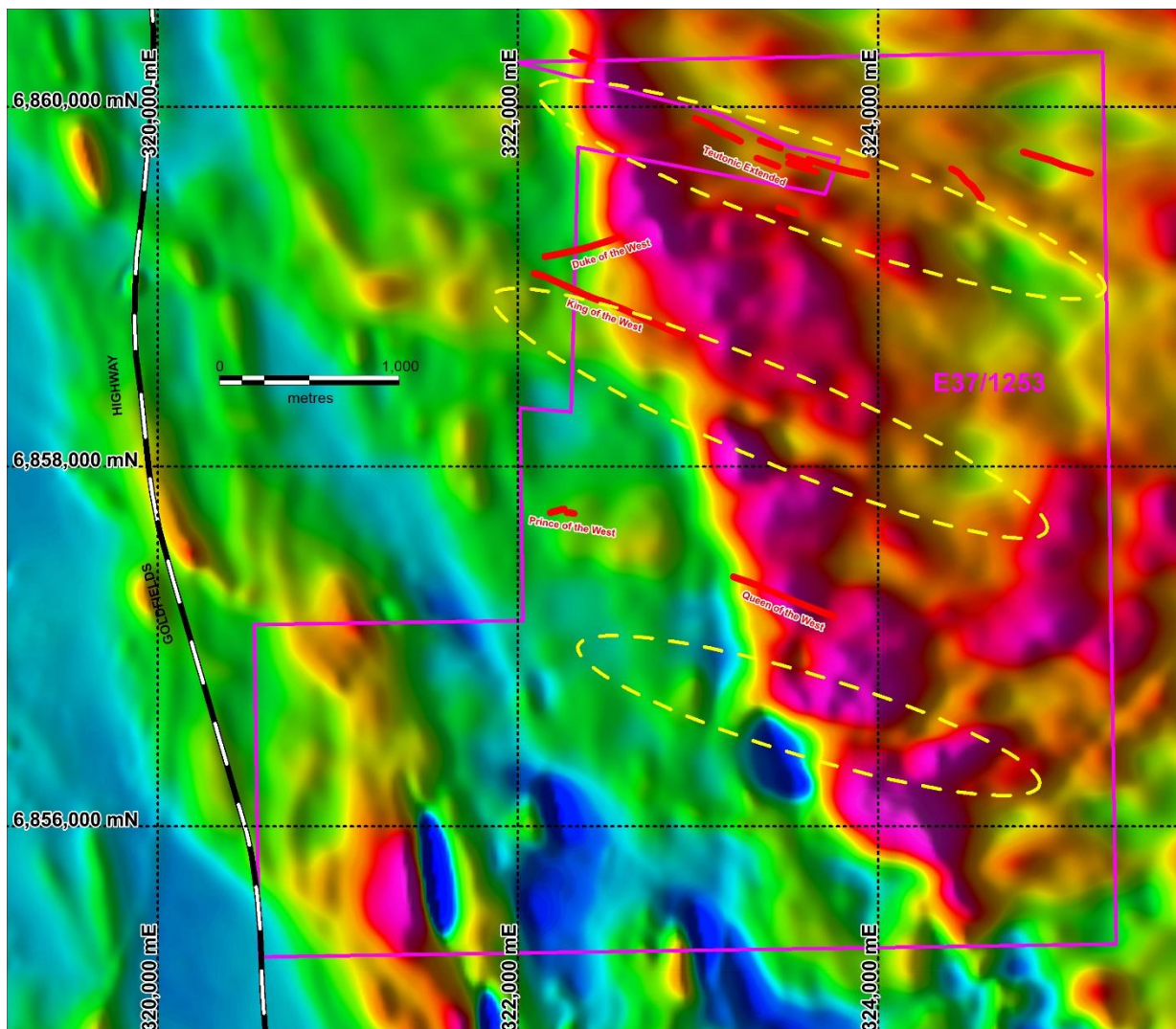


*King of the West. Gossanous and fault brecciated vein quartz 322499mE 6858909mN  
168g/t Au, 45g/t Ag*



*Queen of the West. Gossanous and fault brecciated vein quartz 323558mE 6857245mN  
17.4g/t Au, 5g/t Ag*

Much of the central parts of the licence are under shallow alluvial cover that obscure the shear zones and quartz lodes. Existing aero-magnetic data has been reprocessed over the King of the West area. A number of WNW -ESE magnetic breaks are present that are coincident with and parallel to mapped gold bearing lodes and shear zones. These breaks indicate that the shear zones, (and quartz lodes), are present over more extensive area than shown by outcrop.



*Reduced to Pole aero-magnetic image over the King of the West tenement showing mapped lodes, (red lines), and WNW -ESE magnetic breaks. Map Grid Australia zone 51*

A programme of 11 reverse circulation holes, (KWRC001 to KWRC011), was completed during the quarter for a total of 1,121 metres. Lode and hole locations are shown on the following plan. The objective of the drilling was to test beneath outcropping lodes and old workings identified by the Company.



All holes intersected shear zones up to 40m wide with quartz veining, consistent with surface mapping and nearby deposits. Of the six holes testing along the King of the West lode, high - grade mineralisation was intersected in hole KWRC007 of:

15m @ 9.18g/t Au, 4g/t Ag from 60m

*including 5m @26.67g/t Au, 10g/t Ag from 66m*

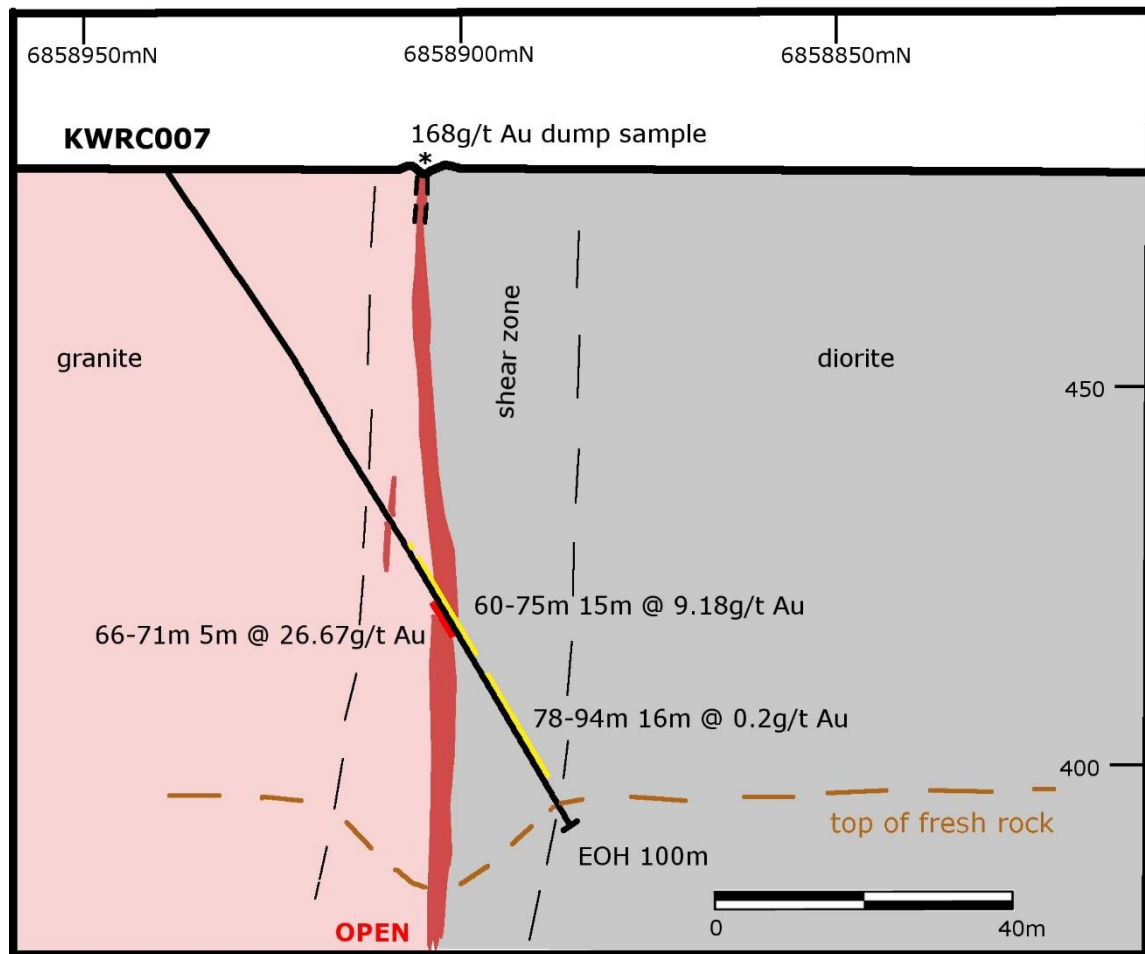
This intercept on the King of the West Lode lies below a prospecting pit and collapsed shaft with rock chip results up to 168g/t Au, 45g/t Ag. This mineralisation represents a high - grade gold shoot within the shear zone that remains open at depth, (see attached cross section).

The two holes testing Duke of the West lode returned anomalous results while three holes tested below shafts on the Prince of the West lode with anomalous values also returned.



*King of the West. Mapped quartz lodes and drill hole locations. Map Grid Australia, zone 51.*

Proposed work consists of reverse circulation drill testing below KWRC007 and testing of the Queen of the West lode.



*King of the West Lode: Section 322520mE*

## **Emperor Project** (KWR 100%)

*E37/0882, E37/1054, E37/1086, E37/1319, E37/1321, E37/1322*

Emperor Project is a collection of exploration licences located at the southern end of the Yandal Greenstone Belt to the south and west of the Darlot Mine.

Aircore drilling commenced on the Emperor Structure in September 2018. 75 holes have been completed for 5,410m. The drilling has 3 target styles:

- i. Mineralisation along the Emperor Structure analogous to the Endeavour Prospect.
- ii. Fault intersections where north-south magnetic features intersect the Emperor Structure.
- iii. Intersections where north-south magnetic highs intersect the Emperor Structure. These are interpreted as sites where favourable host rocks such as magnetic dolerites may intersect the Emperor Structure.

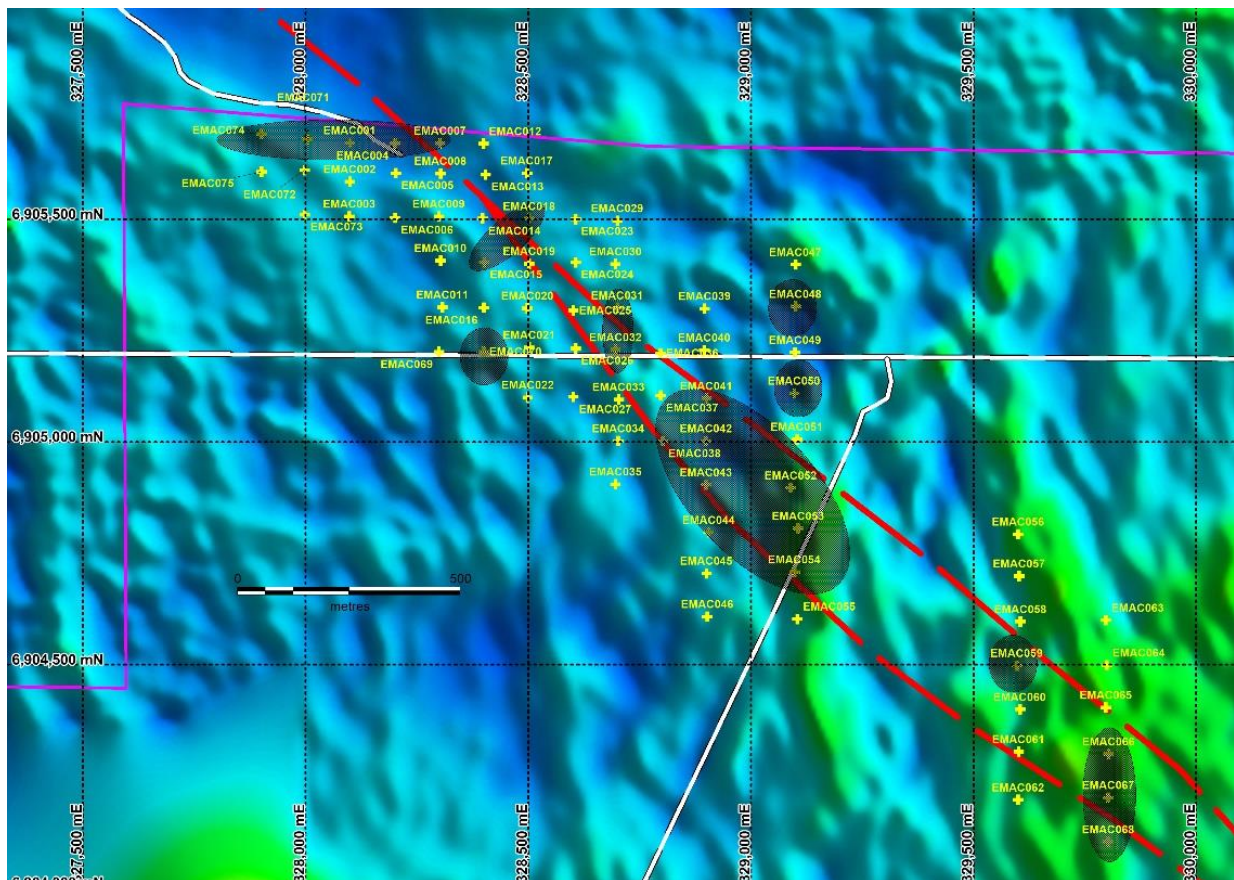
Assaying is complete, including 1m resamples of initial anomalous 3m composite samples. All holes have been rehabilitated. See ASX releases of 12 November 2018 and 23 January 2019 for details of drilling.

Multiple gold anomalous results have been returned along the 2.5km section of the Emperor Shear that has been tested. Better results include:

- 6m @ 0.67 g/t Au from 27m in hole EMAC004
- 1m @ 1.06 g/t Au from 57m in hole EMAC015
- 2m @ 1.09 g/t Au from 97m in hole EMAC041
- 4m @ 0.80 g/t Au from 60m in hole EMAC050
- 1m @ 1.18 g/t Au from 84m in hole EMAC050
- 3m @ 0.55 g/t Au from 93m in hole EMAC068

These results along with known mineralisation to the north west, (namely the Endeavour, Mermaid and A1 Prospects), demonstrate that the Emperor Shear is a significant gold mineralised structure for over 5km.

Minor amounts of anomalous Cu were detected when logging and this is reflected in the result of 12m @ 0.15% Cu in hole EMAC032. Cover becomes thicker to the south east. Several holes in the south eastern part of the grid show development of weak laterite gold anomalism suggesting a primary source in this area. EMAC004, EMAC071 and EMAC074 show anomalism representing the continuation of the Endeavour Deposit from the adjacent licence, which is not held by Kingwest Resources.

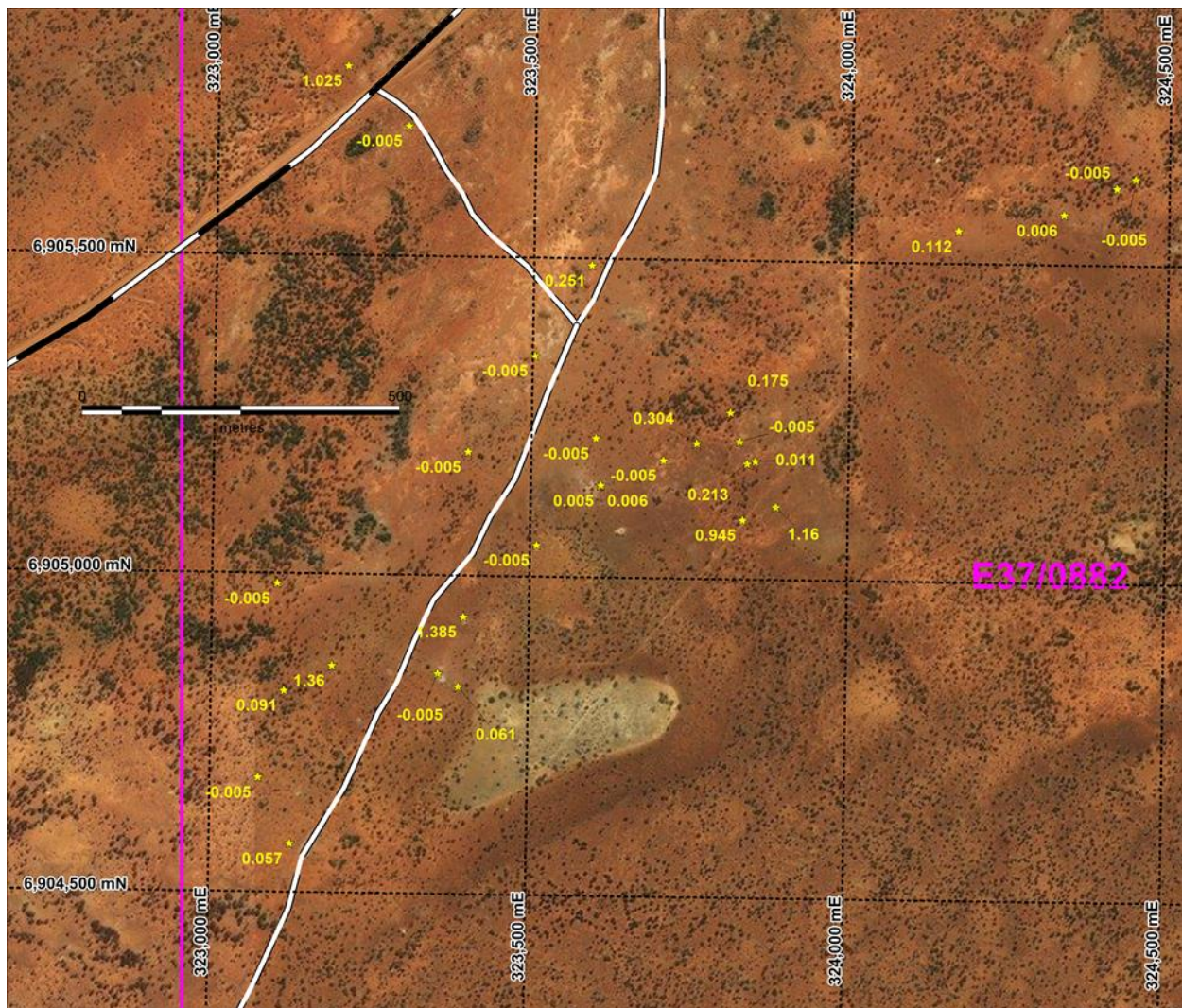


*Anomalous areas identified in 2018 Emperor aircore drilling over RTP magnetics.  
Map Grid Australia, zone 51.*



The Gilmour Prospect is located 10km SW of the Darlot Mine. The area has been identified by prospectors, with evidence of systematic metal detecting and nugget finds. No historic mine workings are present but three small prospecting pits have been located. The area contains outcropping quartz  $\pm$  tourmaline veining in dolerite and gabbro.

Rock chip sampling has returned multiple values  $>0.1\text{ppm Au}$  and up to  $1.38\text{ppm Au}$ , associated with anomalous levels of pathfinder elements such as Ag, As, Cu, Pb, S, Sb, and Zn over an  $900\text{m} \times 1400\text{m}$  area. Results were presented in the ASX releases of 12 November 2018, 21 November 2018 and 23 January 2019. Grid based soil sampling and follow up rock chip sampling was completed during the quarter with assay results pending.



*Gilmour Prospect with gold rock chip results in g/t Au. Map Grid Australia zone 51*

8 rock chip samples were collected from the SE corner of E37/1086. This area is a ridge of dolerite with deformed quartz veining. The majority of the tenement was found to be covered by aeolian sand with surface sampling considered ineffective. No significant values were returned.

9 rock chip samples were collected from the northern and eastern parts of E37/1322. The eastern and northern parts of the lease have widespread outcrop and float with surface sampling techniques applicable. The area around "Weebo" airstrip is prospective in that there is widespread dolerite subcrop with vein quartz float. Eastern parts of the lease are underlain by the Weebo Granite and is not considered prospective. The southern parts of the tenement were found to be covered, with surface sampling considered ineffective. Only sporadic path finder anomalism was detected.

## Crawford

*M37/1202 (KWR 75%) P37/8901 (KWR 100%)*

An aircore programme of 24 holes for 1,204m has been completed to the east of the resource in an attempt to expand the resource area (See KWR ASX release 12 November 2018).

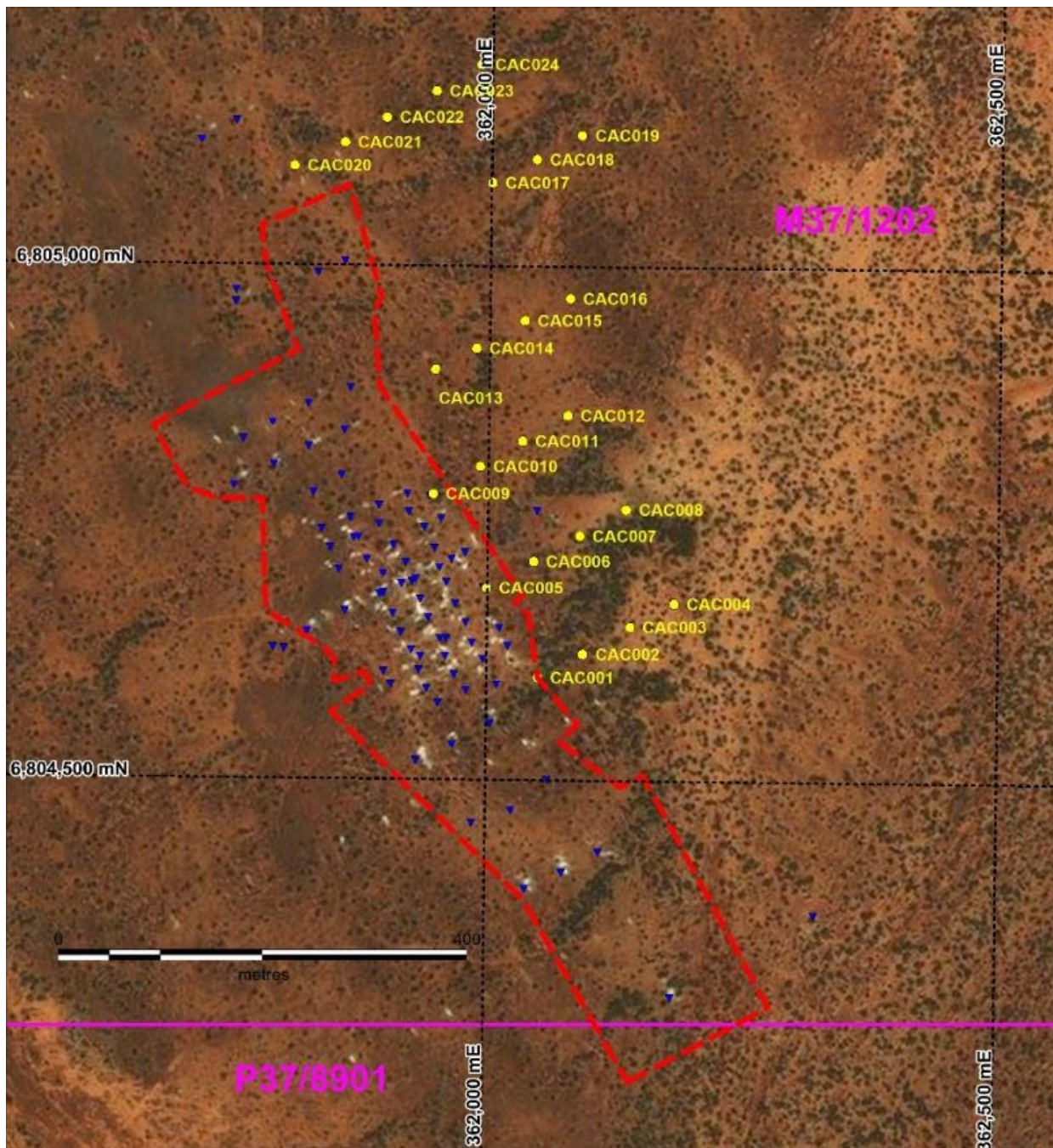
The plan below shows the drill hole positions in relation to the currently defined resource. Final 1m assaying has been returned that did not materially alter the initial 3m composite results. Significant mineralisation has been located in 2 specific areas.

- i. On the eastern margin of the existing resource area where results of 5m @ 0.93g/t Au from 34m in CAC001; 1m @ 1.07g/t Au from 20m in CAC005, 4m @ 1.70g/t Au from 24m in hole CAC005 were returned. A high-grade interval of 5m @ 14.22g/t Au from 44m in hole CAC005 is particularly encouraging with mineralisation present to the end of hole at 49m. The high-grade result is close to 2017 hole RKRC007 (6m @ 5.55g/t Au from 37m, including 1m @ 21.1g/t Au). This shows that high - grade results are repeatable and provides some confidence that a distinct high - grade zone can be modelled within the resource. These results marginally expand the resource to the east.
- ii. Drilling 40m beyond the northern margin of the resource area returned 2m @ 0.72 g/t Au from 22m in hole CAC020. This result along with other anomalous historic results indicates that the resource is likely to expand to the north with infill drilling.

A programme of resource infill and extension drilling is intended to commence late in the March quarter. The programme will consist of both reverse circulation and diamond drilling to allow grade, metallurgical, geotechnical, and density data to be collected for the determination of a new mineral resource. In particular drilling will aim to extend the resource to the north to connect to historic mineralised drilling.

Approximately 170kg of mineralised material was recovered and stored for future metallurgical test work. Prospecting licences P37/8902 and P37/8903 were relinquished during the quarter as non-core assets.





Satellite image over the Crawford Deposit showing resource outline, existing resource drill holes (blue triangles) and recent aircore holes (yellow dots). Map Grid Australia zone 51



## Gambier Lass North (KWR 75%)

E37/0893

A reconnaissance programme of 74 sieved, B-horizon soil samples were collected in the NW west part of the licence to test over magnetic anomalies and follow up elevated results from August. 18 rock samples were collected in conjunction with the soil sampling comprising, vein quartz, dacite, and ironstone.



*Satellite image of the northern part of E37/893. Black stars represent previous scout soil samples from August 2018. Green triangles represent October 2018 soil sampling. Map Grid Australia zone 51*

Elevated soil values were present with peak values of 30ppb Ag, 5 ppb Au, 250ppb Bi, 24ppm Cu, 20ppb Hg, 1.7ppm Mo, 11ppm Pb, 230ppb Sb, 1.1ppm Se, 26ppm Zn.

Rock chip values were mildly anomalous but results are considered to be due to secondary enrichment in ironstone. In particular zinc is enriched with multiple values over 300ppm. Peak values include: 110ppm As, 7ppb Au, 145ppm Co, 130ppm Cu, 475ppm Ni, 33ppm Pb, 749ppm Zn.

## Roman Well (KWR 100%)

E37/1252

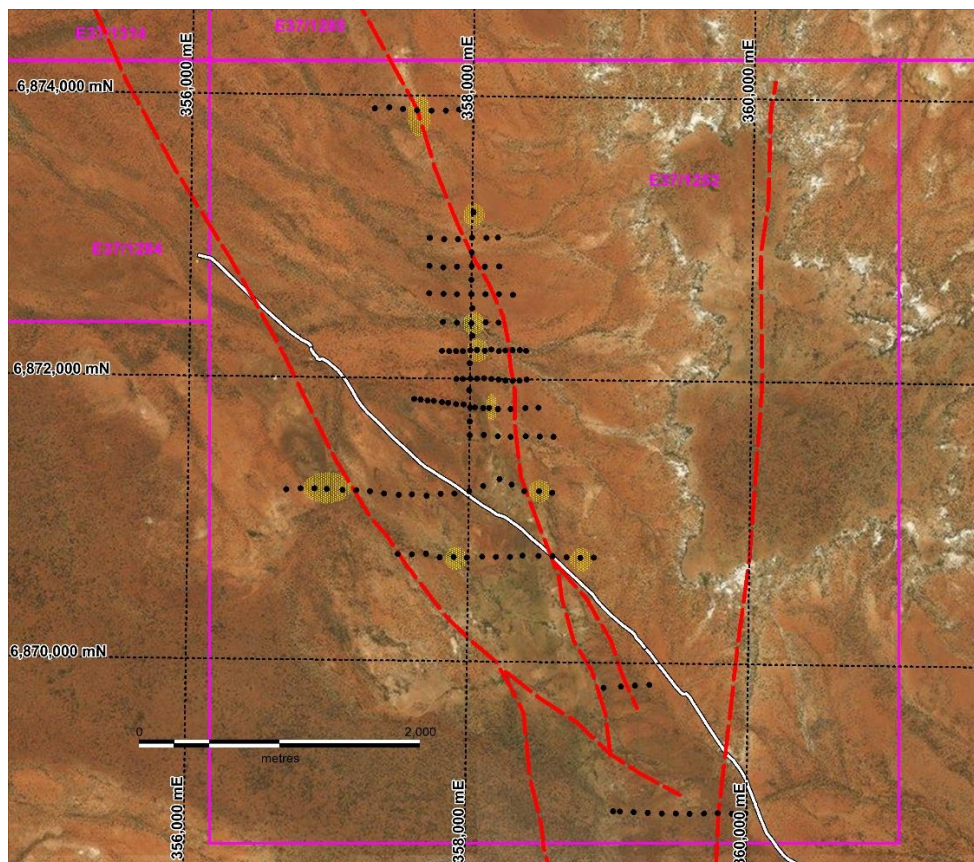
A reconnaissance programme of 136 angled aircore holes for 1692m has been completed at the Roman Well Project. The drilling had 3 target styles:

- i. Magnetic highs to the west of the shear zones.
- ii. A fault splay off the Mertondale Shear with coincident historic gold, copper and zinc in soil anomalism.
- iii. The Mertondale Shear with sporadic, weak gold in soil anomalism.

Drilling was along a series of west to east lines with all holes angled  $-60^{\circ}$  to  $270^{\circ}$ . Holes were drilled to refusal with some minor extensions by slim line RC. The depth to refusal was much less than envisaged. Some planned holes could not be drilled due to topography restricting site access. All assays have been returned. (See KWR ASX release 21 November 2018 for details) Better results include:

- 3m @ 0.27g/t Au from 12m in hole RWAC004
- 3m @ 0.31g/t Au from 36m in hole RWAC064

A new target area has been identified in holes RWAC064 and RWAC065 on the western side of the licence. This area is a magnetic high with sheared basalt faulted against granite with quartz vein out crops. There is no previous known work about this area. The shallow cover and outcrop on the licence indicates that further soil and rock chip sampling is suitable with mapping to refine targets.



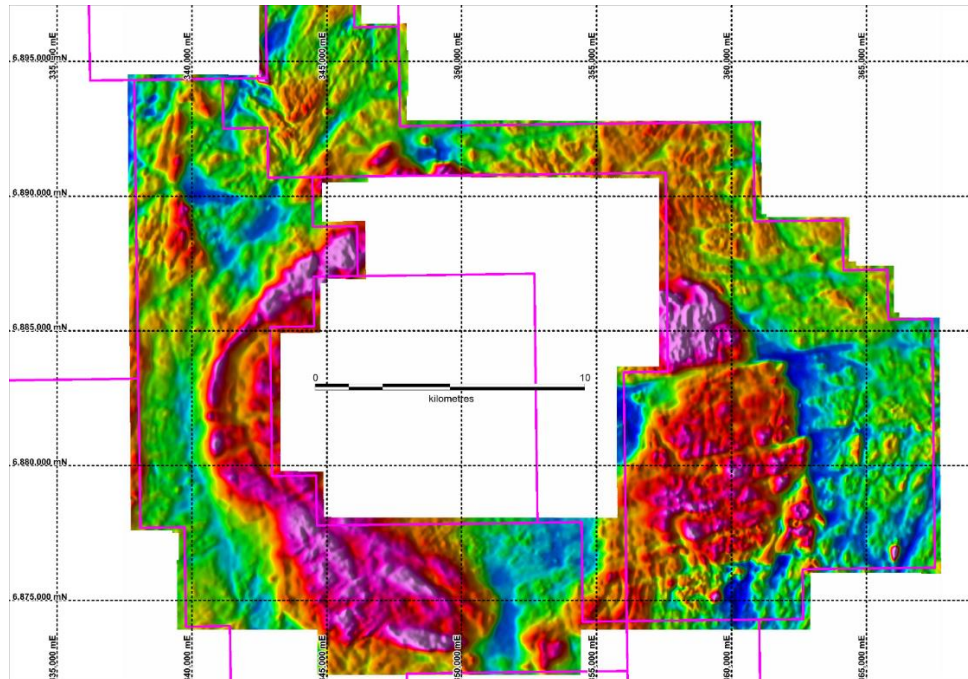
*Roman Well tenement on satellite, showing interpreted / mapped shears, completed aircore drilling and areas of elevated results. Map Grid Australia zone 51*



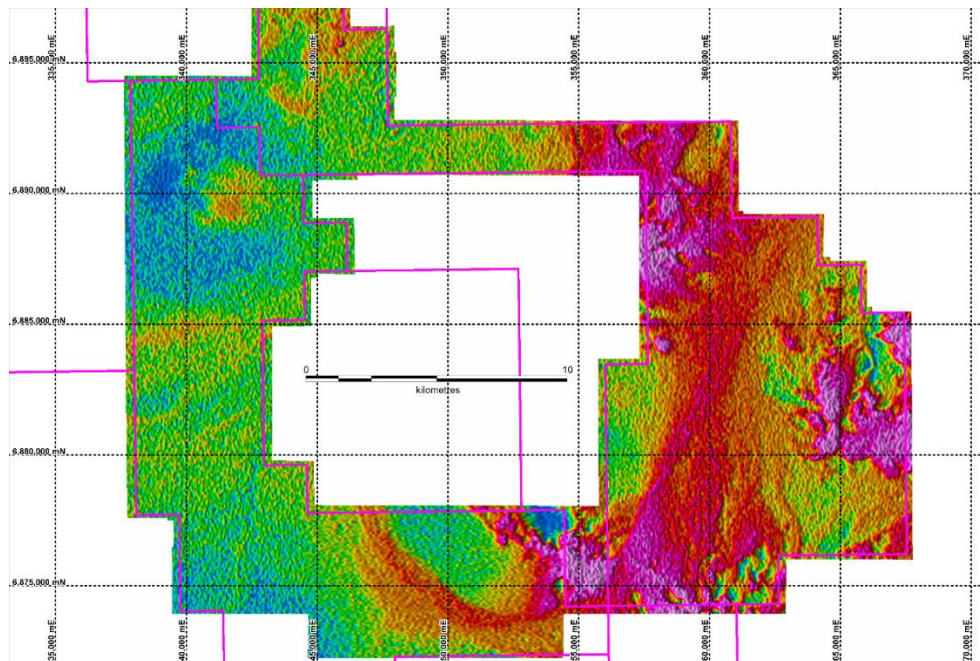
## Greymare Well, Big Well (KWR 100%)

E37/1284 E37/1285 E37/1314

A 100m line spacing aero-magnetic and radiometric survey has been completed over E37/1284, E37/1285. Data interpretation is ongoing.



*New Reduced to Pole Magnetic data, Greymare Well and Big Well leases.*



*New K channel radiometric data, Greymare Well and Big Well leases. Magenta areas represent near surface bedrock exposure on the Big Well lease.*

## Northern Wells, Northampton

E37/1343, E37/1344

No work completed. These licences remain under application.

## Tenement information for the quarter ending 31 December 2018

PROJECT	TENEMENT	AREA (km <sup>2</sup> )	TENURE TYPE	STATUS	GRANT DATE	EXPIRY DATE	CHANGE IN INTEREST	KWR CURRENT INTEREST
CRAWFORD (Western Australia)	M37/1202	8.90	MINING	GRANTED	4/02/2008	3/02/2029	-	75%
	P37/8901	1.98	PROSPECTING	GRANTED	26/07/2017	25/07/2021	-	100%
	P37/8902	1.99	PROSPECTING	GRANTED	26/07/2017	25/07/2021	(100%)	-
	P37/8903	1.99	PROSPECTING	GRANTED	26/07/2017	25/07/2021	(100%)	-
GAMBIER LASS NORTH (Western Australia)	E37/0893	26.27	EXPLORATION	RENEWAL PENDING	22/08/2008	21/08/2018	-	75%
KING OF THE WEST (Western Australia)	E37/1253	17.91	EXPLORATION	GRANTED	6/09/2016	5/09/2021	-	100%
EMPEROR (Western Australia)	E37/0882	67.68	EXPLORATION	GRANTED	26/03/2006	25/03/2020	-	100%
	E37/1054	21.19	EXPLORATION	GRANTED	1/04/2011	1/04/2021	-	100%
	E37/1086	3.03	EXPLORATION	GRANTED	12/08/2011	12/08/2021	-	100%
	E37/1319	25.84	EXPLORATION	GRANTED	18/04/2018	17/04/2023	-	100%
	E37/1321	36.33	EXPLORATION	GRANTED	2/08/2018	1/08/2023	-	100%
	E37/1322	42.39	EXPLORATION	GRANTED	2/08/2018	1/08/2023	-	100%
ROMAN WELL (Western Australia)	E37/1252	21.17	EXPLORATION	GRANTED	6/09/2016	5/09/2021	-	100%
GREYMARE WELL (Western Australia)	E37/1284	187.70	EXPLORATION	GRANTED	6/04/2017	5/04/2022	-	100%
BIG WELL (Western Australia)	E37/1285	208.57	EXPLORATION	GRANTED	26/04/2017	25/04/2022	-	100%
	E37/1314	87.66	EXPLORATION	GRANTED	2/08/2018	1/08/2023	-	100%
NORTHERN WELLS (Western Australia)	E37/1343	102.86	EXPLORATION	APPLICATION				
NORTHAMPTON (Western Australia)	E37/1344	72.66	EXPLORATION	APPLICATION				

## About Kingwest Resources Ltd.

Kingwest Resources Ltd. (ASX KWR) is a minerals exploration company established to explore for gold near Leonora, in the North East Goldfields region of Western Australia. The company has an extensive tenement holding of over 900km<sup>2</sup> with projects that include:

- **Crawford Project**, with an inferred JORC compliant resource of 3.34Mt @ 0.96g/t Au for 104,000 ounces contained gold<sup>1</sup>. The deposit is close to surface and remains open at depth and along strike.
- **Gambier Lass North Project**. Located directly along strike from the Gambier Lass Mine this area has numerous, near surface, historic drill intercepts.
- **Emperor Project**. Located at the southern end of the Yandal Greenstone Belt, this project sits to the south and west of the Darlot Mine. Several mineralised and anomalous trends are present that extend onto KWR's tenements.
- **Roman Well Project**. Situated on the northern continuation of the Mertondale Shear Zone and contains a 600m long, coherent Au, As, Cu, Zn soil anomaly.
- **King of the West Project**. Located adjacent to the Keith – Kilkenny Tectonic Zone this project contains multiple poorly tested, historic gold workings with surface sampling to 168g/t Au and 45g/t Ag.

### *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 Ian Cooper BSc(Hons) BE(Mining) MSc, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Cooper has over 30 years' experience in the mineral and mining industry. Mr Cooper is an employee of Kingwest Resources. Mr Cooper has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken 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. Mr Cooper consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

<sup>1</sup> Refer to the prospectus lodged by the Company as an ASX announcement on 22 August 2018 (Prospectus). The Company confirms that it is not aware of any new information or data that materially affects the information included in the Prospectus and that all material assumptions and technical parameters underpinning the mineral resource estimates in the Prospectus continue to apply and have not materially.