



ABN 58 624 972 185

Interim Financial Report

For the half-year ended 31 December 2018

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DIRECTORS' REPORT

The Directors present their report together with the financial report of Kingwest Resources Limited ("the Company") and its wholly owned subsidiaries (together referred hereafter as "the Group" or "the Consolidated Entity") for the half-year ended 31 December 2018 and the independent auditors' review report thereon.

The Directors of the Company at any time during or since the end of the half-year are:

Stephen Woodham	- Executive Director
Peter Bennetto	- Non-executive Chairman
Stephen Brockhurst	- Non-executive Director

REVIEW OF OPERATIONS

HIGHLIGHTS

In the initial four months post listing, a substantial amount of work has been completed that included:

- Establishment of a field office at Leonora
- A 4805.66 line km aeromagnetic survey was completed over the Greymare Well Project (E37/1284) and Big Well Project (E37/1285).
- Existing magnetic data has been compiled and reprocessed over the King of the West Project (E37/1253).
- Existing magnetic data has been compiled and reprocessed over the Emperor Project (E37/0882, E37/1054, E37/1086, E37/1319, E37/1321, E37/1322).
- 363 soil samples were collected and analysed at the Gilmour Prospect.
- 107 soil samples were collected and analysed over the western part of Gambier Lass North licence.
- 175 reconnaissance rock chip samples have been collected across multiple prospects on E37/0882, E37/0893, E37/1054, E37/1252, E37/1253, and E37/1322.
- 24 aircore drill holes (CAC001 to CAC024) were completed at the Crawford Deposit for 1,204m.
- 136 aircore drill holes (RWAC001 to RWAC136) were completed at the Roman Well Project for 1692m.
- 75 aircore drill holes (EMAC001 to EMAC075) were completed at the Emperor Prospect for 5,383m.
- 11 RC drill holes (KWRC001 to KWRC011) were completed at the King of the West Project for 1,121m.
- Drilling rehabilitation completed for EMAC and RWAC drilling.

CRAWFORD DEPOSIT

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

An aircore programme of 24 holes for 1,204m was completed to the east of the existing resource 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. Significant mineralisation has been located in 2 specific areas.

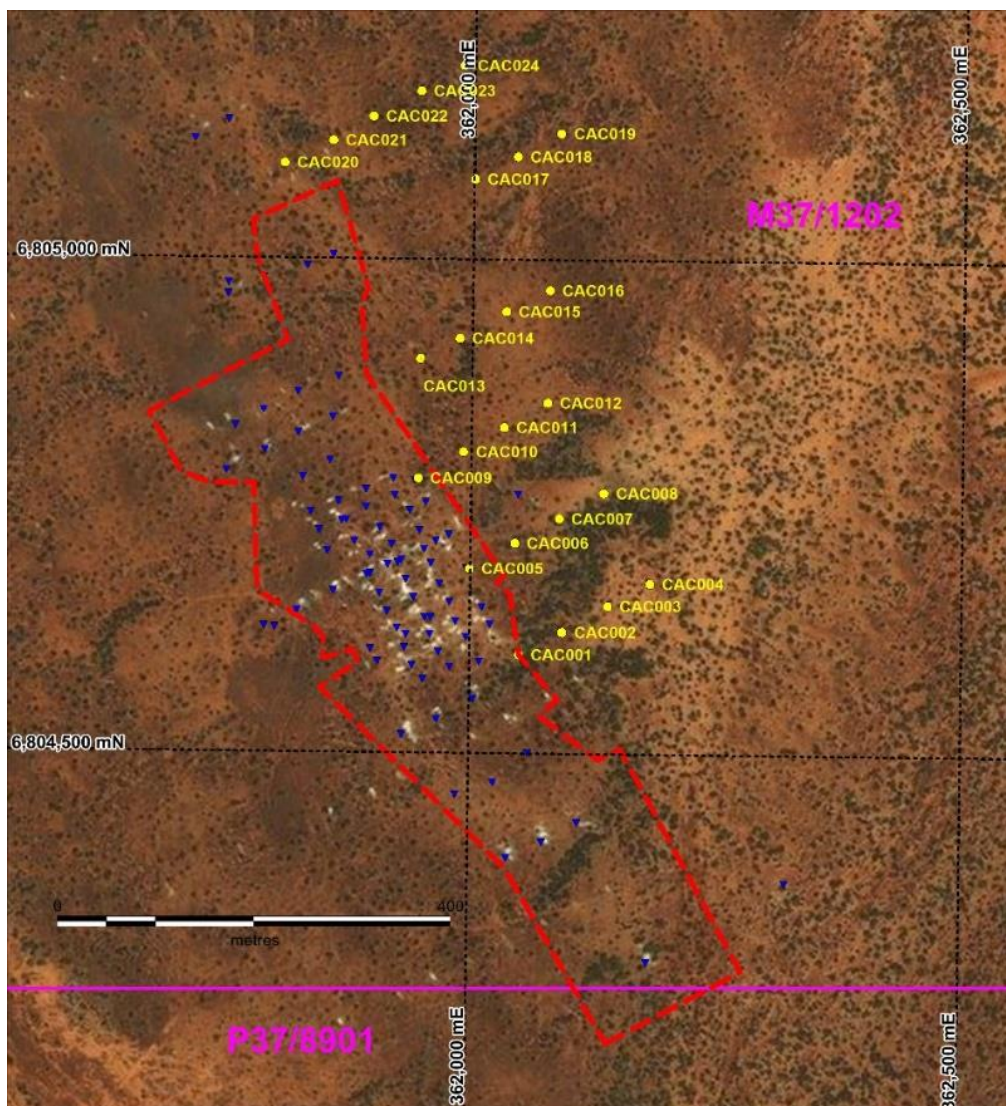
- i. On the eastern margin of the existing resource area where results of 5m @ 0.93g/t Au from 34m in CAC001; 1m @ 1.07g/t Au from 20m in CAC005, 4m @ 1.70g/t Au from 24m in hole CAC005 were returned. A high-grade interval of 5m @ 14.22g/t Au from 44m in hole CAC005 is particularly encouraging with mineralisation 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.

DIRECTORS' REPORT

- 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 as non-core assets. A programme of 11 angled reverse circulation holes and 2 diamond drill holes to infill the existing resource and to gain structural, density, metallurgy and geotechnical data is intended to commence in mid-March.



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

KING OF THE WEST PROJECT

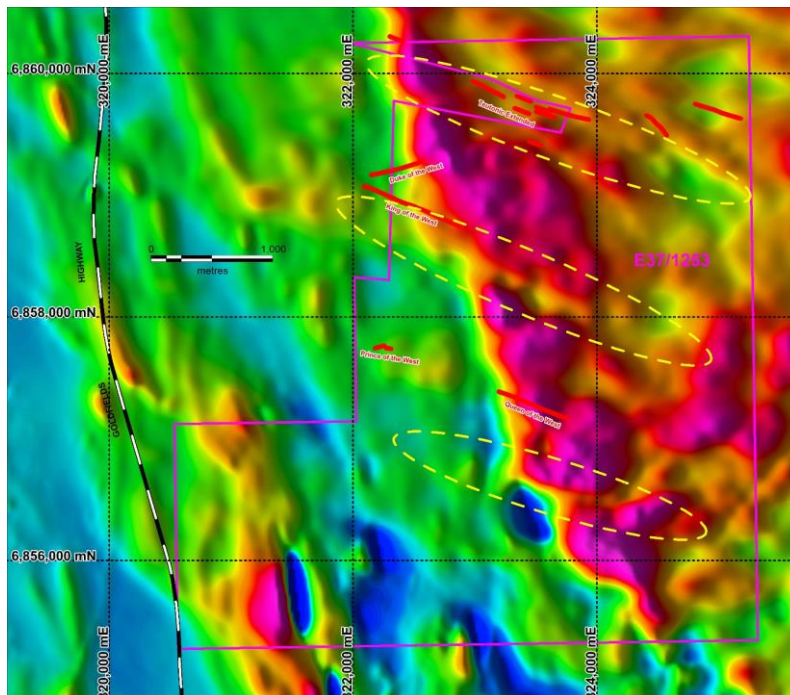
E37/1253 (KWR 100%)

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).

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

DIRECTORS' REPORT

A programme of 11 reverse circulation holes, (KWRC001 to KWRC011), was completed during the period 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.

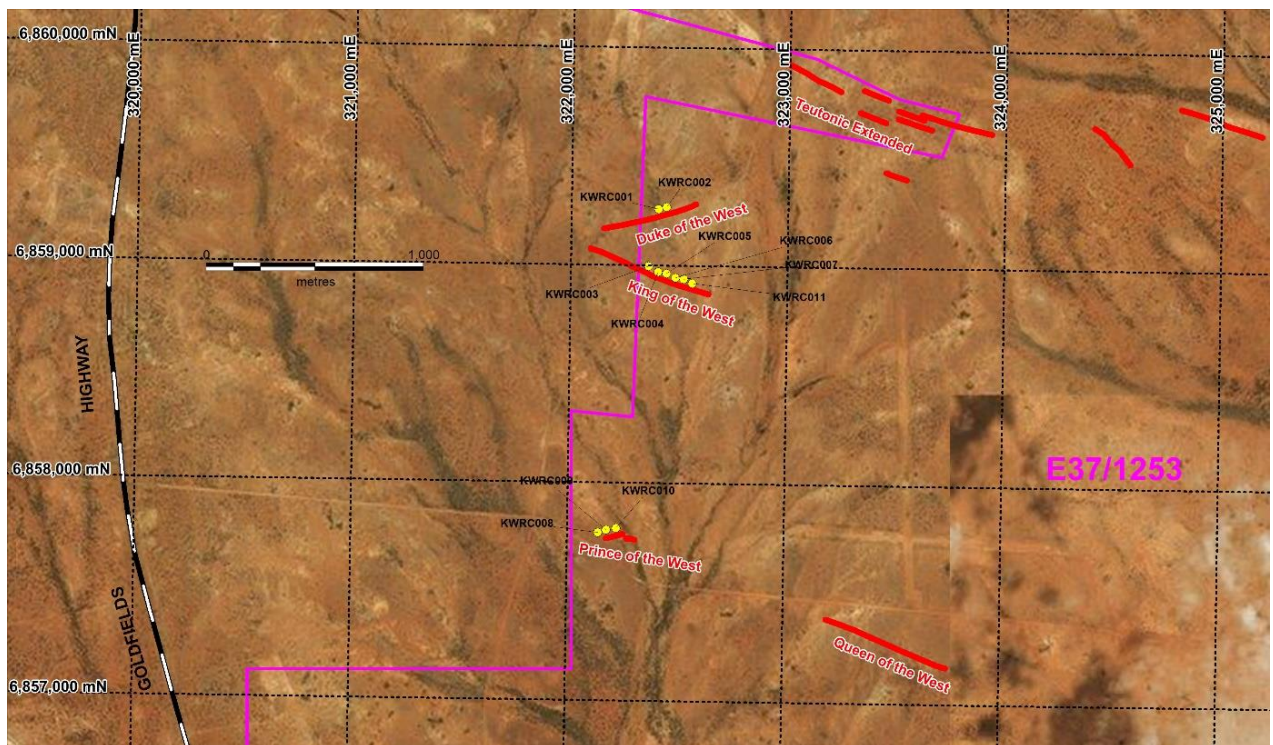
All holes intersected shear zones up to 40m wide with quartz veining, consistent with surface mapping and nearby deposits. Of the six holes testing along the King of the West lode, high - grade mineralisation was intersected in hole KWRC007 of:

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

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

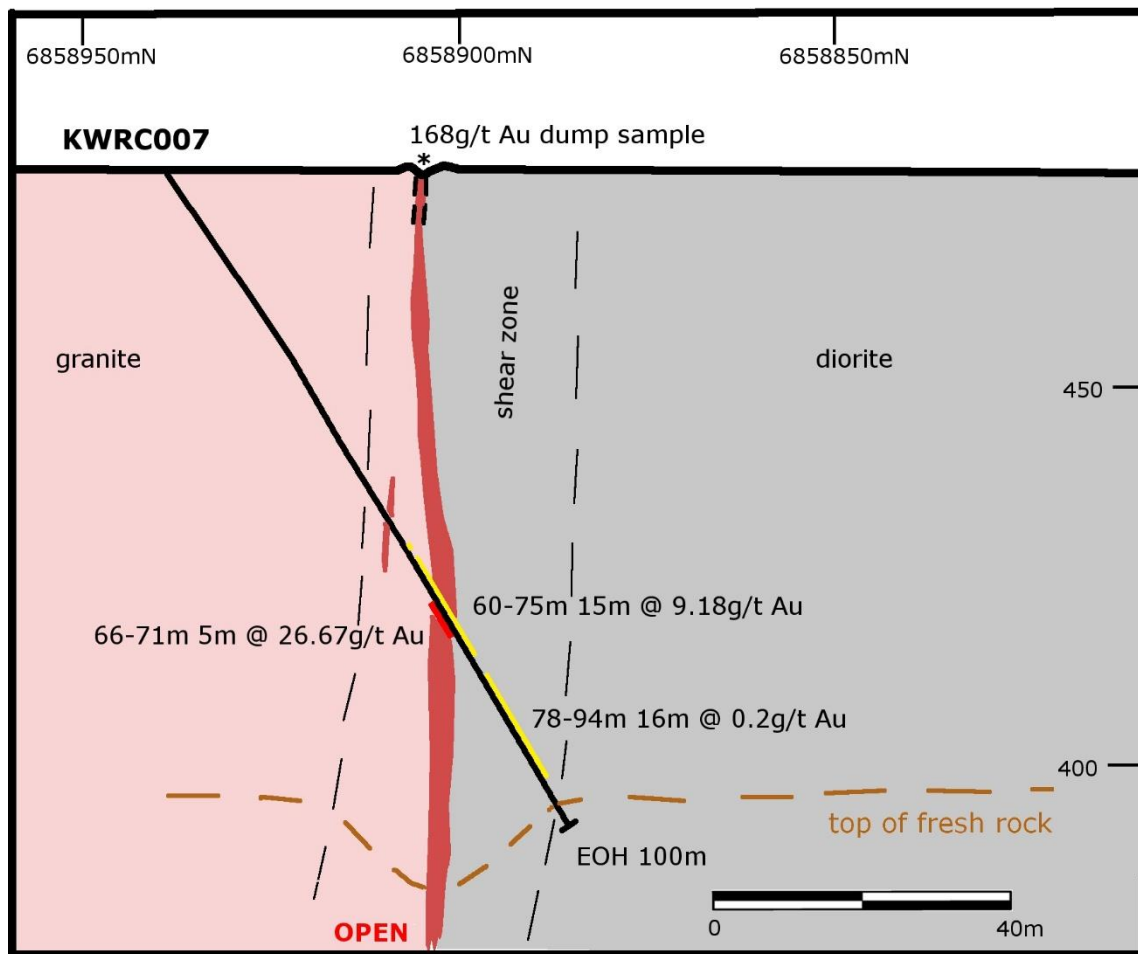
This intercept on the King of the West Lode lies below a prospecting pit and collapsed shaft with rock chip results up to 168g/t Au, 45g/t Ag. This mineralisation represents a high - grade gold shoot within the shear zone that remains open at depth, (see below cross section).

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 drill testing below KWRC007 and testing of the Queen of the West lode, due for H2 2019.



King of the West Lode: Section 322520mE

EMPEROR PROJECT

E37/0882, E37/1054, E37/1086, E37/1319, E37/1321, E37/1322 (KWR 100%)

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 were completed for 5,410m (See ASX releases of 12 November 2018 and 23 January 2019 for details of drilling.). 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.

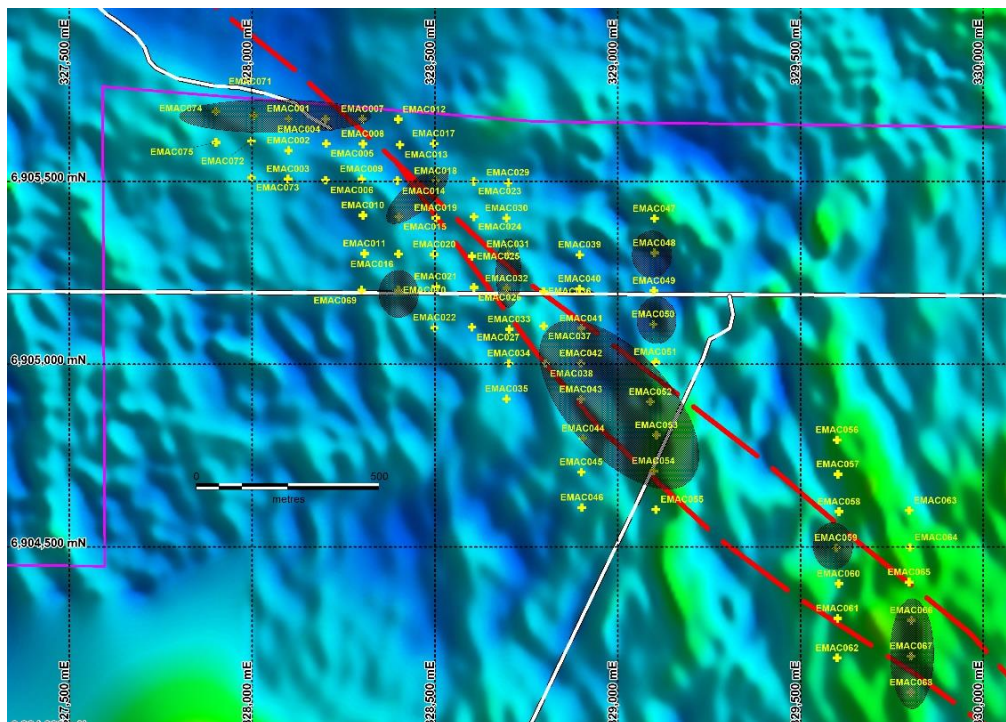
DIRECTORS' REPORT

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 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.



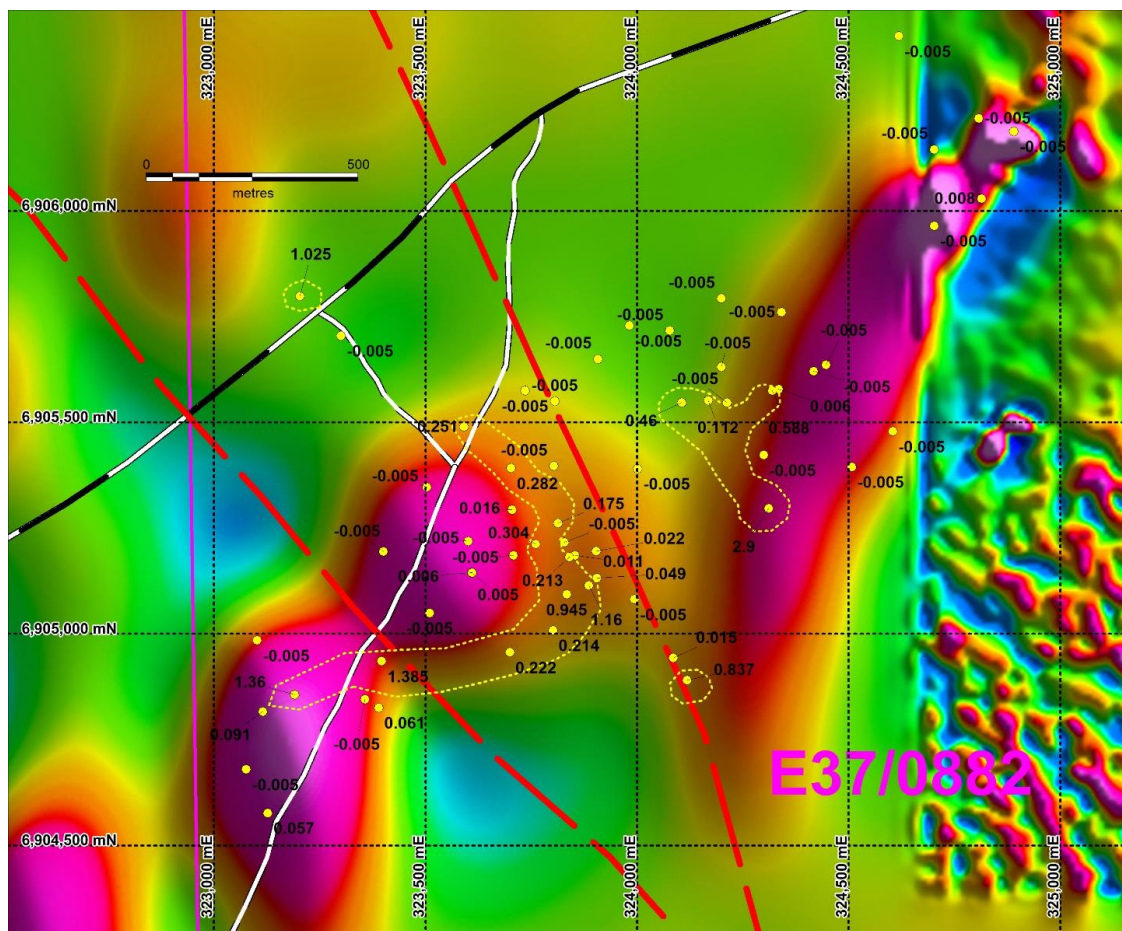
Anomalous areas identified in 2018 Emperor aircore drilling over reduced to pole magnetics. Map Grid Australia, zone 51.

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 ± tourmaline veining in dolerite and gabbro.

DIRECTORS' REPORT

Previous rock chip sampling has returned multiple values $>0.1\text{ppm Au}$ and up to 2.9ppm Au , 145g/t Ag associated with anomalous levels of pathfinder elements such as Ag, As, B, Cu, Pb, S, Sb, and Zn over a substantial $900\text{m} \times 1400\text{m}$ area. Results were presented in the ASX releases of 12 November 2018, 21 November 2018 and 24 January 2019. Sample density is such that areas of gold anomalism are now apparent.

Open file aeromagnetic data over the Emperor Project leases has been merged and reprocessed. In the Gilmour Prospect area, a linear magnetic high is present which is interpreted as a magnetic, iron-rich dolerite. Such iron-rich dolerites are well known as favourable host rocks to gold mineralisation in the Eastern Goldfields region, and in the nearby Darlot Mine. Further the magnetics indicate that the magnetic dolerite has been broken up by a series of NW - SE trending shear zones that appear to act as pathways for mineralising fluids.



Gilmour Prospect: Reprocessed reduced to pole, 1st vertical derivative magnetics and rock chip gold values (g/t) with areas of $>0.1\text{g/t Au}$ outlined and interpreted shear zones. Map Grid Australia zone 51.

GAMBIER LASS NORTH

E37/0893 (KWR 75%)

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 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.

A significant resource scoping drill programme over the Gambier Lass North Prospect is planned for the second half of the year.

DIRECTORS' REPORT

ROMAN WELL PROJECT

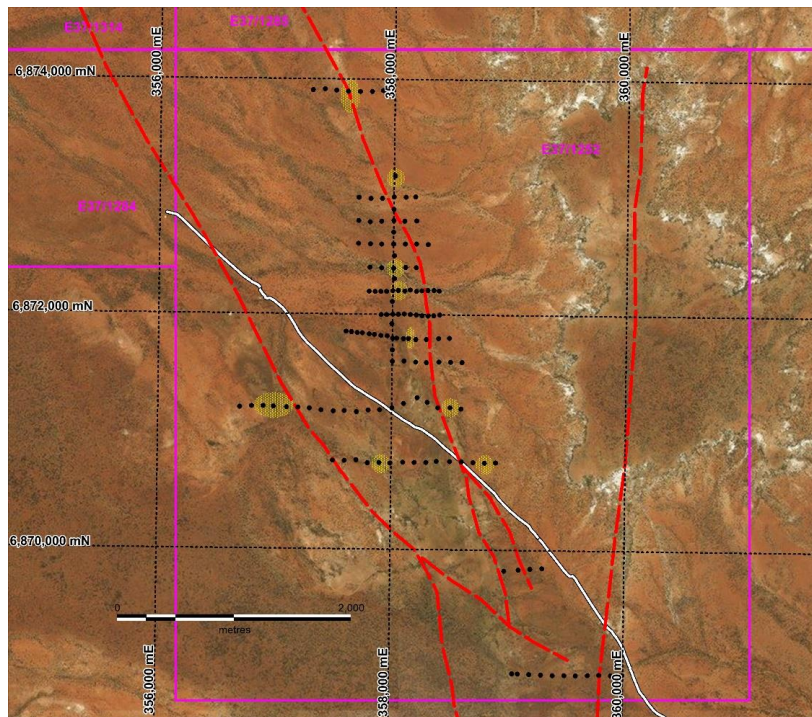
A reconnaissance programme of 136 angled aircore holes for 1692m has been completed at the Roman Well Project. (See KWR ASX release 21 November 2018). The drilling had 3 target styles:

- 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° to 270°. 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. 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.

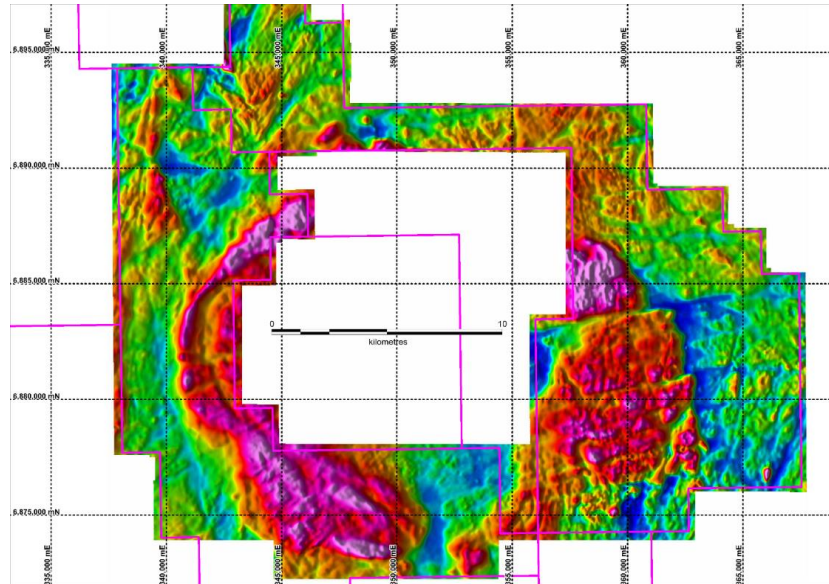


Roman Well tenement on satellite, showing interpreted / mapped shears, completed aircore drilling and areas of elevated results. Map Grid Australia zone 51

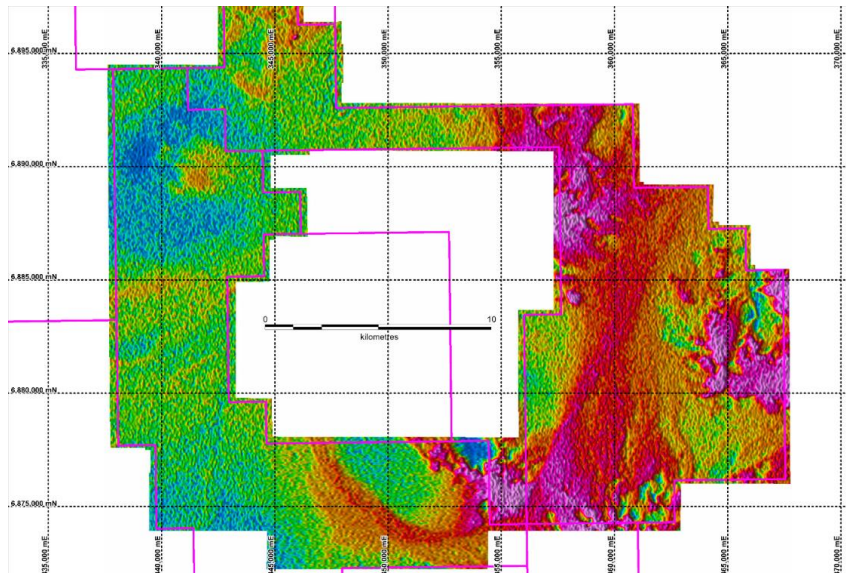
GREYMARE WELL, BIG WELL

E37/1284 E37/1285 E37/1314 (KWR 100%)

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.

DIRECTORS' REPORT

CORPORATE

During the period the Company successfully completed an Initial Public Offer (IPO) for the issue of 25,000,000 shares at an issue price of \$0.20 per share to raise \$5,000,000 (before costs). On 22 August 2018, the Company was admitted to the official list of the ASX and its securities commenced trading on 24 August 2018.

As part of the IPO the Company entered into various Sale and Purchase Agreements to acquire a significant tenement package in Western Australia prospective for gold and base metals. The most significant of these was the acquisition of 100% of the issued capital in Roman Kings Limited (now Roman Kings Pty Ltd) through the issue of 12,000,000 ordinary shares. The acquisition of Roman Kings resulted in the Company acquiring an interest in all of its current Projects in Western Australia. These interests were further increased when the Company acquired an additional 24% interest in the Crawford and Gambier Lass North Projects (taking the total interest to 75%) from through the payment of \$490,000 in cash consideration. Additionally the Company increased its tenement holding on the Emperor project by acquiring a further four tenements through the issue of 2,800,000 ordinary shares in the Company.

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.

RESULTS

The loss for the half-year ended 31 December 2018 attributable to the Group was \$571,395.

CORPORATE

At the end of the period the Group had \$3,012,426 in cash and the Company had the following securities on issue:

- 50,810,000 fully paid ordinary shares; and
- 15,750,000 unlisted options exercisable at \$0.20 on or before 30 June 2021.

DIRECTORS' REPORT

EVENTS SUBSEQUENT TO REPORTING DATE

There are no events subsequent to the end of the period that would have had a material effect on the Group's financial statements at 31 December 2018.

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration forms part of the directors' report for the half-year ended 31 December 2018.

Signed in accordance with a resolution of the Directors

A handwritten signature in black ink, appearing to read 'S Brockhurst', with a long horizontal stroke extending to the right.

Stephen Brockhurst

Director

14 February 2019

RSM Australia Partners

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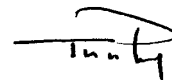
AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Kingwest Resources Limited for the half-year ended 31 December 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 review; and
- (ii) any applicable code of professional conduct in relation to the review.



RSM AUSTRALIA PARTNERS



TUTU PHONG
Partner

Perth, WA
Dated: 14 February 2019

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

	31 December 2018 \$
Interest income	20,617
Other income	1,781
Compliance and regulatory expense	(116,034)
Corporate advisory and consulting fees	(173,671)
Depreciation expense	(1,119)
Employee benefits expense	(155,683)
Exploration expenditure – pre-acquisition	(24,826)
Finance costs	(1,390)
Impairment of exploration expenditure	(1,095)
Travel and accommodation	(41,270)
Other expenses	(78,705)
LOSS BEFORE INCOME TAX	(571,395)
Income tax benefit	-
LOSS FOR THE PERIOD	(571,395)
Other Comprehensive Loss	-
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	(571,395)
Basic and diluted loss per share (cents)	(1.41)

The consolidated statement of profit or loss and other comprehensive Income should be read in conjunction with the attached notes to the financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Note	31 December 2018 \$	30 June 2018 \$
Current Assets			
Cash and cash equivalents		3,012,426	865,683
Trade and other receivables		125,259	873,264
Total Current Assets		<u>3,137,685</u>	<u>1,738,947</u>
Non-Current Assets			
Plant & equipment		5,634	-
Exploration and evaluation expenditure	2	4,210,323	-
Total Non-Current Assets		<u>4,215,957</u>	<u>-</u>
Total Assets		<u>7,353,642</u>	<u>1,738,947</u>
Current Liabilities			
Trade and other payables		283,758	933,698
Borrowings		-	100,000
Provisions		3,732	-
Total Current Liabilities		<u>287,490</u>	<u>1,033,698</u>
Total Liabilities		<u>287,490</u>	<u>1,033,698</u>
Net Assets		<u>7,066,152</u>	<u>705,249</u>
Equity			
Share capital	3	7,433,798	501,500
Reserves	3	794,190	794,190
Accumulated losses		(1,161,836)	(590,441)
Total Equity		<u>7,066,152</u>	<u>705,249</u>

The consolidated statement of financial position should be read in conjunction with the attached notes to the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

	Issued Capital	Accumulated Losses	Option Reserve	Total Equity
	\$	\$	\$	\$
Balance at 1 July 2018	501,500	(590,441)	794,190	705,249
Comprehensive loss				
Loss for the period	-	(571,395)	-	(571,395)
Total comprehensive loss for the period	-	(571,395)	-	(571,395)
Transactions with owners, in their capacity as owners				
Shares issued	8,060,000	-	-	8,060,000
Options issued	-	-	-	-
Share issue costs	(1,127,702)	-	-	(1,127,702)
Total transactions with owners, in their capacity as owners	6,932,298	-	-	6,932,298
Balance at 31 December 2018	7,433,798	(1,161,836)	794,190	7,066,152

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

	31 December 2018 \$
CASH FLOWS FROM OPERATING ACTIVITIES	
Payments to suppliers and employees	(603,513)
Interest paid	(1,390)
Interest received	15,293
NET CASH USED IN OPERATING ACTIVITIES	<u>(589,610)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Payments for exploration expenditure	(612,260)
Payments for exploration assets	(490,000)
Cash on acquisition of subsidiary	2,546
Payments for plant and equipment	(6,753)
NET CASH USED IN INVESTING ACTIVITIES	<u>(1,106,467)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from issue of shares	4,186,400
Costs of issue of shares	(343,580)
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>3,842,820</u>
Net increase in cash held	2,146,743
Cash at the beginning of the financial period	<u>865,683</u>
CASH AT THE END OF THE FINANCIAL PERIOD	<u><u>3,012,426</u></u>

The consolidated statement of cash flows should be read in conjunction with the attached notes to the financial statements.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION

The half-year consolidated financial statements are a general purpose financial report which has been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*.

The consolidated half-year financial report does not include all of the information required for a full annual financial report. The half-year financial report is to be read in conjunction with the most recent annual financial report for the year ended 30 June 2018. This report must also be read in conjunction with any public announcements made by Kingwest Resources Limited and its controlled entities during the half-year.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of certain non-current assets, financial assets and financial liabilities.

The financial statements are presented in Australian dollars which is the Company's functional and presentation currency.

These interim financial statements were authorised for issue on 14 February 2019.

(B) USE OF ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. 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 periods affected.

(C) ACCOUNTING POLICIES

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements, with the addition of the following:

Principles of consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent, Kingwest Resources Limited and all of the subsidiaries (including any structured entities). Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as "non-controlling interests". The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or at the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each

component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of profit or loss and other comprehensive income.

(D) NEW AND REVISED STANDARDS AND AMENDMENTS THEREOF AND INTERPRETATIONS EFFECTIVE FOR THE CURRENT HALF-YEAR THAT ARE RELEVANT TO THE CONSOLIDATED ENTITY

The adoption of all the new and revised Standards and Interpretations has not resulted in any changes to the Consolidated Entity's accounting policies and has no effect on the amounts reported for the current half-year. Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

2. EXPLORATION AND EVALUATION EXPENDITURE

	31 December 2018 \$	30 June 2018 \$
Exploration and evaluation assets		
Balance at the beginning of period	-	-
Acquisition of Roman Kings Limited tenements ¹	2,393,993	-
Acquisition of tenements ²	1,050,000	-
Exploration costs capitalised	767,425	-
Impairment of exploration costs	(1,095)	-
Balance at the end of reporting period	<u>4,210,323</u>	<u>-</u>

The ultimate recoupment of balances carried forward in relation to areas of interest still in the exploration or valuation phase is dependent on successful development, and commercial exploitation, or alternatively sale of the respective areas. The Company conducts impairment testing on an annual basis when indicators of impairment are present at the reporting date.

¹ The exploration and evaluation assets include an amount of \$2,393,993 being the identifiable exploration assets acquired upon the acquisition of Roman Kings Limited's Western Australian tenements, refer below:

Purchase consideration:	\$
12,000,000 Ordinary shares	<u>2,400,000</u>
Identifiable assets/(liabilities) acquired:	
Cash	2,524
Receivables	26,263
Exploration tenements	2,393,993
Trade and other payables	<u>(22,780)</u>
	<u>2,400,000</u>

² During the period the Group acquired an additional 24% interest in tenements M37/1202 and E37/893, through the wholly owned subsidiary Roman Kings Pty Ltd from Messina Resources Limited for \$490,000 cash. The Group also acquired three exploration tenements forming part of the Emperor project from Central Iron Ore Limited through the issue of 2,700,000 ordinary shares with a fair value of \$540,000 and one exploration tenement also forming part of the Emperor Project from Kambala Gold Pty Ltd for 100,000 ordinary shares with a fair value of \$20,000.

3. SHARE CAPITAL & RESERVES

	31 December 2018 \$	30 June 2018 \$
Issued capital	(a) 7,433,798	501,500
Share based payment reserve	(b) 794,190	794,190

(a) Reconciliation of movement during the period:

	Shares	\$
Opening balance	10,010,000	501,500
Issue of shares - Conversion of convertible notes	1,000,000	100,000
Issue of shares - Initial public offering	25,000,000	5,000,000
Issue of shares - Acquisition of Roman Kings Limited	12,000,000	2,400,000
Issue of shares - Acquisition of exploration tenements	2,800,000	560,000
Costs of share issue ¹	-	(1,127,702)
	50,810,000	7,433,798

¹ Costs of share issue include an amount of \$798,737 recognised in trade and other receivables at June 2018 that was transferred to equity upon the Company listing on the ASX. Included in this amount is a non-cash share based payment of \$605,097 to promoters of the IPO.

(b) Movement in option reserve

	31 December 2018 \$
Opening balance	794,190
Options issued	-
Options exercised	-
Options expired	-
Closing Balance	794,190

(c) Outstanding Share Options

As at 31 December 2018 the company had the following share options outstanding:

Expiry Date and Price	Type	Number
OPTIONS EXP 30/06/2021 @ \$0.20	Unlisted Option	15,750,000

4. SEGMENT INFORMATION

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Consolidated Entity that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

The Consolidated Entity operates in one segment, being exploration for mineral resources. This is the basis on which internal reports are provided to the Directors for assessing performance and determining the allocation of resources within the Consolidated Entity. The Consolidated Entity only operates in Australia.

5. CONTINGENT ASSETS AND LIABILITIES

In the opinion of the directors, there were no significant changes in contingent assets or liabilities during the period ended 31 December 2018.

6. COMMITMENTS

As at 31 December 2018, the Group had the following commitments.

Following the acquisition of Roman Kings Pty Ltd and other exploration tenements during the period, the Group had the following exploration expenditure commitments at the reporting date:

	31 December 2018 \$
Within one year	241,580
Later than one year but not later than five years	146,922
	<u>388,502</u>

The Group continues to hold an option to acquire two exploration licenses applied for by Central North Pty Ltd. The Group has the option to acquire the licenses for consideration of 200,000 ordinary shares within four months of the licences being granted. As at 31 December 2018 the licenses had not yet been granted.

7. EVENTS SUBSEQUENT TO REPORTING DATE

There are no events subsequent to the end of the period that would have a material effect on the Group's financial statements at 31 December 2018.

8. INTEREST IN CONTROLLED ENTITIES

The consolidated financial statements incorporate the assets, liabilities and the results of the following subsidiaries in accordance with the accounting policy described in note 1:

Controlled entities	Country of incorporation	Percentage owned	Percentage owned
		31 December 2018	30 June 2018
Roman Kings Pty Ltd ¹	Australia	100%	-
Pax Romana Resources Pty Ltd	Australia	100%	-
Golden Gladiator Pty Ltd	Australia	100%	-

¹ During the period and subsequent to the acquisition of Roman Kings Limited, the Company type for Roman Kings Limited was changed to a proprietary limited Company.

In the opinion of the Directors of Kingwest Resources Limited:

- (a) The attached financial statements and notes:
 - (i) comply with Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Act 2001, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (ii) give a true and fair view of the Consolidated Entity's financial position as at 31 December 2018 and of the Consolidated Entity's performance, for the half-year ended on that date.
- (b) 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 the Directors.

A handwritten signature in black ink, appearing to read 'S Brockhurst', with a stylized flourish at the end.

Stephen Brockhurst
Director
14 February 2019

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

We have reviewed the accompanying half-year financial report of Kingwest Resources Limited 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 ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

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 consolidated entity'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 Kingwest Resources Limited, 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.

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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 Kingwest Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

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 Kingwest Resources Limited is not in accordance with the *Corporations Act 2001* including:

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



RSM AUSTRALIA PARTNERS



TUTU PHONG
Partner

Perth, WA
Dated: 14 February 2019

DIRECTORS

Peter Bennetto (Non-Executive Chairman)
Stephen Woodham (Executive Director)
Stephen Brockhurst (Non-Executive Director)

CHIEF EXECUTIVE OFFICER

Stephen Woodham

COMPANY SECRETARY

David McEntaggart

REGISTERED OFFICE

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BANKERS

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