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## Kingwest Resources Ltd

ASX: KWR

Shares on Issue  
100,582,726

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## NEW HIGH-GRADE LODE DISCOVERED IN MENZIES DRILLING

**High grade gold intercepts at Yunndaga in second pass drilling support structural model and define possible new parallel mineralised lode system. Highlights from the last drilling at Yunndaga include;**

- **1.3m @ 19.8g/t Au** from 92.0m, **inc. 0.3m @ 64.4g/t Au** from 92.3m in KWD032 (in hanging wall of Princess May stope at Yunndaga) and:
- **2.3m @ 17.9g/t Au** from 99.65m, **inc. 1.2m @ 33.8g/t Au** from 99.65m in KWD032 (**new footwall lode** beneath Princess May workings at Yunndaga)
- Success at Yunndaga obtained after observations from first pass drilling being integrated into new structural model and second pass drilling conducted
- Orientated diamond core proving the basis for detailed structural interpretations and drill testing confirming targets generated
- First Hit Prospect drilling now finished with three holes completed and samples submitted for assaying

### Exploration Update

The current drilling programme was designed to provide information on several fronts. This included:

- Enhancing geological understanding to optimise exploration drill targeting
- Confirmation of depth extensions of high-grade gold, and
- Validate and possibly extend/estimate new JORC resources.

Kingwest Resources Limited (“Kingwest” or “KWR”) is pleased to provide an update on drilling at the Menzies Gold Project (MGP). The programme has been successful in integrating information and understanding obtained in the first pass drilling at Yunndaga and using this to target additional successful drilling as contained in this release.

These recent results from Yunndaga are examples of the rapid increase in geological understanding and the application of the geological model to improve drill targeting. The discovery of a ‘blind’ parallel footwall lode to the historically mined Princess May lode at Yunndaga is exciting.

At Yunndaga ten holes have been completed (KWD011 - KWD016, KWD031 - 034) by Kingwest for a total of 3,124 metres. Assays for KWD011 – 016 were reported on November 27, 2019 (ASX: KWR).

KWD031 – 034 are located closer to or within the historic Princess May lode which has been mined to 600 vertical metres. The deepest historic drilling at Menzies targeting an extension of the Princess May shoot at Yunndaga returned 2.4m @ 14.7 g/t Au from 558.9m in DDH1 (Figure 1). Kingwest considers that depth potential persists across the project at the other high-grade lodes.

Significant results from these latest drill holes include:

**1.3m @ 19.82g/t Au** from 92.0m, **inc. 0.3m @ 64.4g/t Au** from 92.3m in KWD032 (in hanging wall of Princess May stope at Yunndaga) and **2.28m @ 17.87g/t Au** from 99.65m, **inc. 1.20m @ 33.80g/t Au** from 99.65m in KWD032 (new footwall lode beneath Princess May workings at Yunndaga) (Figures 1 and 2).

KWD031-034 were planned after the initial phase of exploration provided valuable targeting information and have discovered a previously unmined lode parallel with the high-grade and deep-seated (600m vertical) Princess May shoot. Mine records are limited and modern drilling coverage very poor. There were only 20 drill holes to greater than 200m depth in the entire +10km strike of the MGP prior to 2019. Kingwest drilled through historic stoped (mined) areas and this drilling intersected a new 'footwall' lode which sits slightly deeper and under historic underground workings.

Intersecting remnant mineralisation in the hanging wall of the stope is highly significant. This means there may be more similar high-grade mineralisation remaining in the stope walls throughout the Princess May shoot and this will need to be drill tested in 2020. The drilling also shows that the historic records of the stopes may not be totally accurate and this needs to be investigated further.

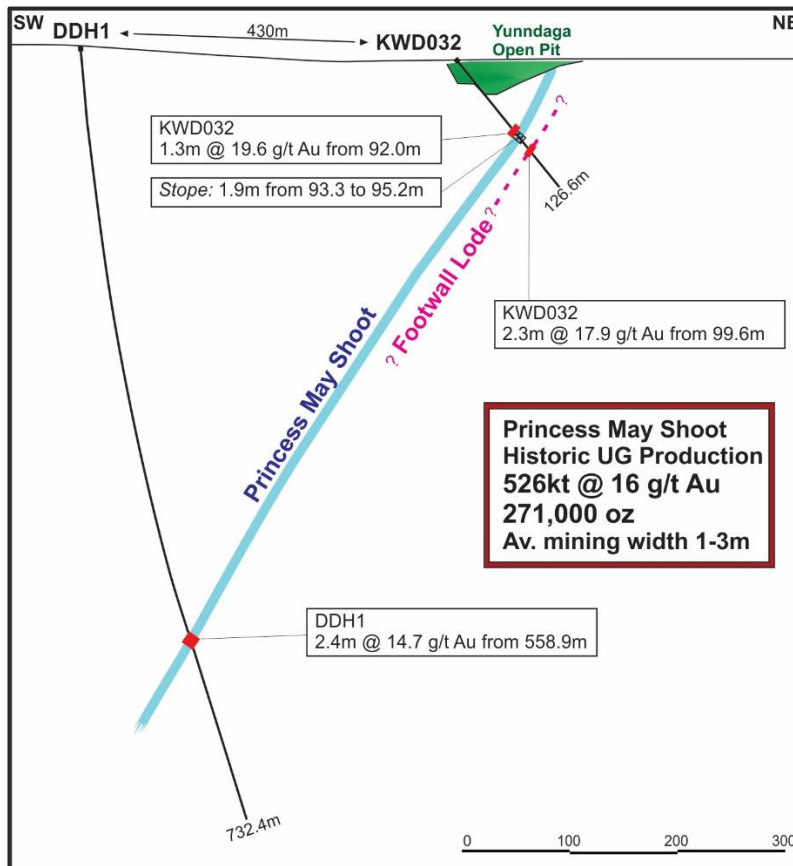


Figure 1: Schematic cross section of the Princess May Shoot, the deepest drill intersection within the MGP (DDH1), and location of new footwall lode.

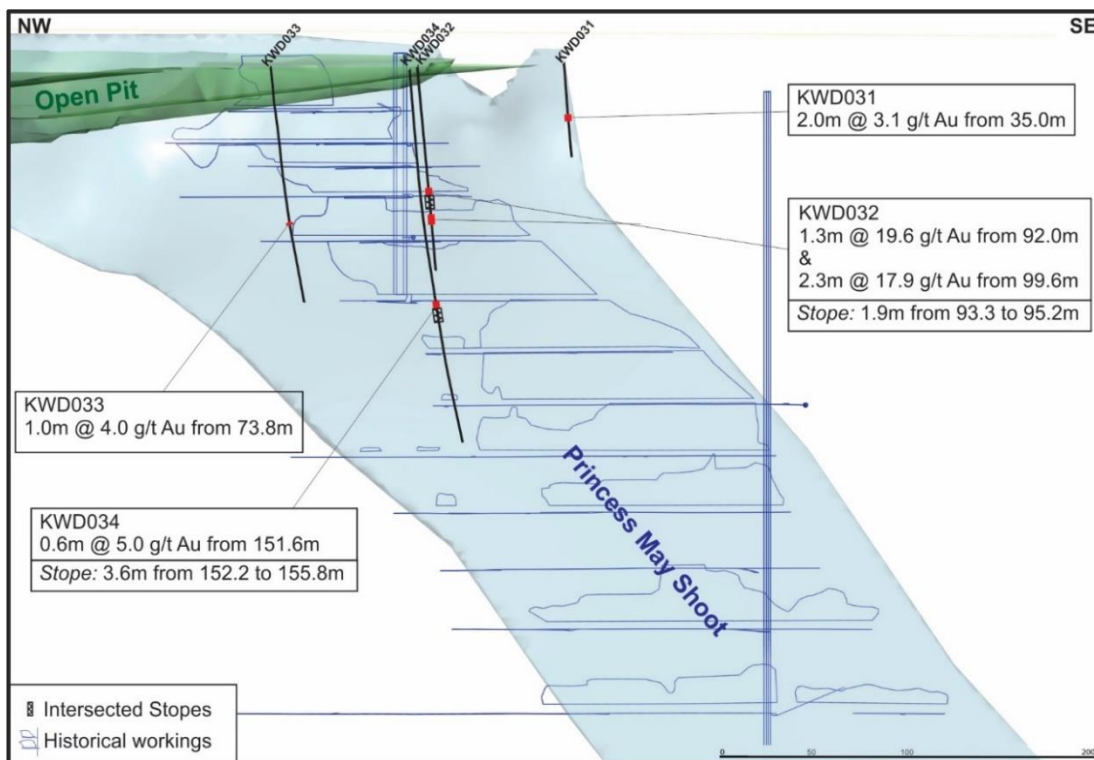


Figure 2: Princess May Long Section at Yundaga with KWR drill intersections and historic Princess May shoot underground workings

## **Drilling Programme Summary**

The 2019 drill programme has been completed with 27 holes for 6,907.6 metres (KWD001 – 016, 026 – 036) in total comprising 1,150 metres of RC and 5,989 metres of diamond core (Figure 3). An additional nine RC pre collars have been completed for 558m (KWD017 – 025) at Lady Irene and Lady Shenton (Table 2 contains drill hole details).

Assays have been received for the first 33 holes (Table 1 contains significant drill intersections) with assays for KWD034 – 036 pending. N.B. Assay results for the first 27 holes (KWD001 – KWD027) were previously reported on October 25 and November 27, 2019 (ASX: KWR).

The programme has been successful in achieving its objectives; with high-grade gold intercepts drilled beneath previous workings (or historic drilling) at all prospects drilled that have returned assays to date (Selkirk, Pericles, Yunndaga, Lady Shenton). In addition, significant new lodes have been discovered at Lady Shenton and Yunndaga.

At First Hit Prospect three holes have been completed (KWD030, 035 and 036) for 359.2 metres of diamond core. Assays are pending. First Hit is one of the highest priority prospects due to the historic production of 171,000 ounces of gold at an average grade of 32 g/t from underground workings. The drilling permit was only recently received hence the late start to, and limited size of, the 2019 drilling. More extensive drill testing will be completed in 2020.

All projects drilled remain open at depth with high-grade gold identified at every prospect tested and Kingwest continues work on its evolving structural control model at the MGP.

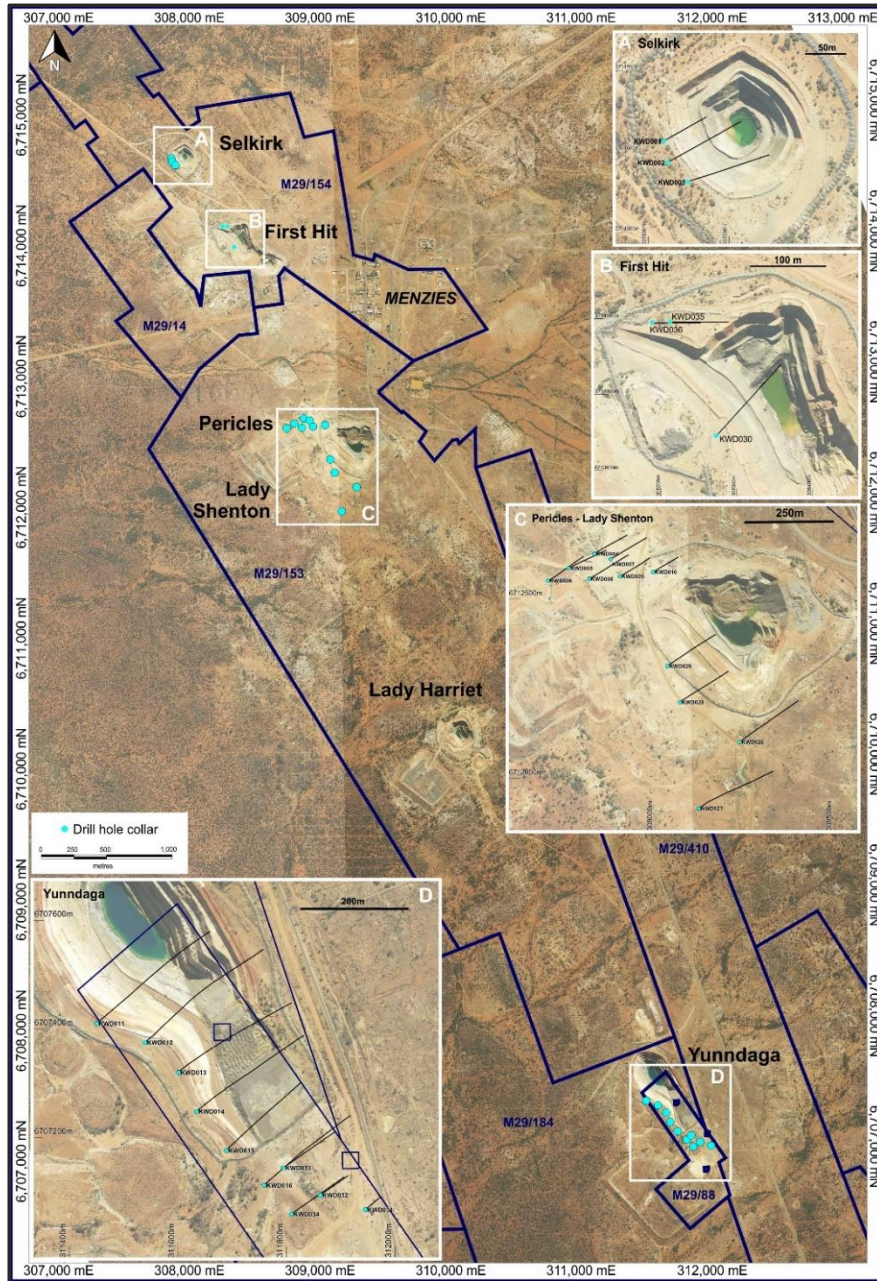


Figure 3: 2019 KWR drill hole location plan and drill traces

Significant gold intersections for assays received to date in 2019 are summarised in Table 1 below.

Table 1: Significant drill intersections

Hole ID	From	To	Interval	Au g/t
KWD001	89.00	92.00	3.00	4.54
	<b>Inc.</b> 90.29	91.43	<b>1.14</b>	<b>12.54</b>
KWD002	68.64	69.87	<b>1.23</b>	<b>13.60</b>
	<b>Inc.</b> 69.37	70.27	<b>0.50</b>	<b>32.20</b>
KWD003	105.70	108.00	<b>2.30</b>	<b>8.36</b>

Hole ID	From	To	Interval	Au g/t
<b>Inc.</b>	106.22	107.00	<b>0.78</b>	<b>21.60</b>
KWD004	90.17	92.16	1.99	3.18
KWD004	97.00	98.00	1.00	1.44
KWD004	107.00	108.00	1.00	1.51
KWD005	82.77	84.50	1.73	2.15
KWD005	152.00	153.00	1.00	1.56
KWD005	154.00	155.00	1.00	1.06
KWD005	156.00	159.00	3.00	1.39
KWD006	113.86	115.59	1.73	4.93
KWD006	117.70	118.55	0.85	2.59
KWD006	197.80	198.65	<b>0.85</b>	<b>12.60</b>
KWD007	19.00	25.00	6.00	1.05
KWD007	75.91	78.10	2.19	1.38
KWD007	87.10	87.60	<b>0.50</b>	<b>7.78</b>
KWD007	223.20	223.70	<b>0.50</b>	<b>5.10</b>
KWD008	78.00	80.40	<b>2.40</b>	<b>5.45</b>
<b>Inc.</b>	79.00	80.00	<b>1.00</b>	<b>8.08</b>
KWD008	125.27	130.19	<b>4.92</b>	<b>8.44</b>
<b>Inc.</b>	126.27	127.20	<b>0.93</b>	<b>36.20</b>
KWD008	150.00	153.20	3.20	1.78
KWD009	11.00	12.00	1.00	2.49
KWD009	57.00	60.00	3.00	1.05
KWD010	35.00	36.00	1.00	2.28
KWD010	147.70	148.70	<b>1.00</b>	<b>6.52</b>
KWD011	216.30	221.57	5.27	2.20
<b>Inc.</b>	218.50	219.00	<b>0.50</b>	<b>7.18</b>
KWD012	165.00	167.00	<b>2.00</b>	<b>6.44</b>
<b>Inc.</b>	165.70	166.34	<b>0.64</b>	<b>15.40</b>
KWD013	155.79	157.00	1.21	1.15
KWD014	131.00	131.84	0.84	2.64
KWD014	399.50	400.52	1.02	1.45
KWD015	140.20	141.20	1.0	1.12
KWD015	142.09	142.96	0.87	1.38
KWD025	28.00	29.00	1.00	1.33
KWD025	39.00	40.00	1.00	1.95
KWD025	45.00	46.00	1.00	1.06
KWD026	236.00	237.55	1.55	1.56
KWD026	243.40	243.90	0.50	2.32
KWD026	253.57	256.97	3.40	2.12
KWD026	258.50	259.50	1.00	1.22
KWD026	260.10	261.10	1.00	1.44
KWD027	52.10	55.00	<b>2.90</b>	<b>5.84</b>
<b>Inc.</b>	52.10	52.40	<b>0.30</b>	<b>45.80</b>
KWD027	291.50	293.00	<b>1.50</b>	<b>14.33</b>
<b>Inc.</b>	292.10	292.40	<b>0.30</b>	<b>71.3</b>
KWD029	136.00	136.20	0.20	25.00



Hole ID	From	To	Interval	Au g/t
KWD029	214.50	215.05	0.55	4.30
KWD029	281.27	282.17	0.90	1.32
KWD031	33.00	34.00	1.00	1.12
KWD031	35.00	37.00	2.00	3.07
KWD032	92.00	93.30	<b>1.30</b>	<b>19.82</b>
<b>Inc.</b>	92.30	92.60	<b>0.30</b>	<b>64.40</b>
KWD032	93.30	95.20	1.90	<b>STOPE</b>
KWD032	95.20	96.80	1.60	1.32
KWD032	99.65	101.93	<b>2.28</b>	<b>17.87</b>
<b>Inc.</b>	99.65	100.85	<b>1.20</b>	<b>33.80</b>
KWD033	73.84	74.81	0.97	4.01
KWD033	93.80	95.33	1.53	1.09
KWD033	109.00	110.87	1.87	2.34
KWD034	149.70	152.2	2.50	2.14
<b>Inc.</b>	151.57	152.20	<b>0.63</b>	<b>5.03</b>
KWD034	152.20	155.77	<b>3.57</b>	<b>STOPE</b>

N.B. Minimum intersection of 1.0 gm (ie. >1.0m @ 1.0g/t Au or 0.5m @ 2.0g/t Au). Maximum internal dilution of 2.0m < 1.0g/t Au

**Table 2: Menzies 2019 drill hole details**

Prospect	Drillhole ID	Easting	Northing	Elevation	Dip	Azimuth	RC Pre Collar (m)	DD core (m)	Total (m)
Selkirk	KWD001	307819	6714613	419	-60	60	0	120.8	120.8
Selkirk	KWD002	307824	6714587	419	-50	60	0	160.1	160.1
Selkirk	KWD003	307849	6714563	419	-50	70	0	162.7	162.7
Pericles	KWD004	308830	6712625	422	-60	60	54	148.1	202.1
Pericles	KWD005	308758	6712585	422	-60	60	52	182.9	234.9
Pericles	KWD006	308700	6712550	422	-60	60	80	170.2	250.2
Pericles	KWD007	308875	6712610	422	-60	60	60	180.9	240.9
Pericles	KWD008	308815	6712555	422	-60	60	80	167.0	247.0
Pericles	KWD009	308901	6712562	425	-60	60	60	141.8	201.8
Pericles	KWD010	308993	6712574	425	-60	60	50	106.0	156.0
Yunndaga	KWD011	311450	6707410	418	-60	50	90	385.3	475.3
Yunndaga	KWD012	311539	6707375	418	-60	50	90	391.4	481.4
Yunndaga	KWD013	311601	6707320	418	-65	50	90	364.3	454.3
Yunndaga	KWD014	311634	6707248	418	-60	50	45	388.3	433.3
Yunndaga	KWD015	311689	6707176	418	-60	50	48	328.2	376.2
Yunndaga	KWD016	311759	6707112	418	-60	50	48	337.3	385.3
Lady Irene	KWD017	302736	6719902	392	-60	50	70	0	70
Lady Irene	KWD018	302825	6719733	392	-60	50	70	0	70
Lady Irene	KWD019	302861	6719684	392	-60	50	70	0	70

Prospect	Drillhole ID	Easting	Northing	Elevation	Dip	Azimuth	RC Pre Collar (m)	DD core (m)	Total (m)
Lady Shenton	KWD020	309355	6712347	429	-60	55	60	0	60
Lady Shenton	KWD021	309442	6712330	429	-60	55	60	0	60
Lady Shenton	KWD022	309323	6712245	429	-60	55	60	0	60
Lady Shenton	KWD023	309203	6712152	429	-60	55	48	0	48
Lady Shenton	KWD024	309473	6712312	429	-60	55	60	0	60
Lady Shenton	KWD025	309355	6712195	429	-60	55	60	0	60
Lady Shenton	KWD026	309235	6712100	429	-60	55	30	344.4	374.4
Lady Shenton	KWD027	309121	6711915	429	-60	55	41.6	410.2	451.8
Lady Shenton	KWD028	309068	6712211	429	-60	55	0	300.6	300.6
Lady Shenton	KWD029	309033	6712312	429	-60	55	0	301.2	301.2
First Hit	KWD030	308273	6713945	425	-50	40	0	168.8	168.8
Yunndaga	KWD031	311945	6707067	413	-60	55	0	60.1	60.1
Yunndaga	KWD032	311862	6707094	414	-50	50	0	126.0	126.0
Yunndaga	KWD033	311794	6707144	414	-50	55	0	183.0	183.0
Yunndaga	KWD034	311809	6707059	411	-60	55	0	169	169
First Hit	KWD035	308212	6714095	421	-60	90	0	93.7	93.7
First Hit	KWD036	308188	6714095	421	-60	90	0	96.7	96.7

**Table 3: MGP JORC Mineral Resource Estimates (2016)<sup>1</sup>**

Deposit	Indicated Resource			Inferred Resource			Total Resource		
	Mt	Au (g/t)	Oz	Mt	Au (g/t)	Oz	Mt	Au (g/t)	Oz
(>1g/t Au)									
Pericles	0.53	2.49	42,500				0.53	2.49	42,500
Yunndaga				1.58	2.03	103,000	1.58	2.03	103,000
Bellenger	0.24	2.63	19,900				0.24	2.63	19,900
Warrior				0.07	2.49	5,910	0.07	2.49	5,900
<b>TOTAL</b>	<b>0.77</b>	<b>2.52</b>	<b>62,400</b>	<b>1.65</b>	<b>2.05</b>	<b>108,910</b>	<b>2.42</b>	<b>2.2</b>	<b>171,310</b>



**-Ends-**

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

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**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 2019 Exploration results is based on information compiled by Mr Peter Spitalny who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Spitalny is a consultant Geologist to Kingwest Resources Limited. Mr Spitalny 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 and consents to the inclusion in this report of the matters based on their information in the form and context in which they appear.*

*The information in this report that relates to pre 2019 Exploration results, Mineral Resources or Ore Reserves is based on information compiled by Mr David O'Farrell and Simon Coxhell. Both are Members of the Australasian Institute of Mining and Metallurgy. Mr O'Farrell is a full time employee of Horizon Minerals Limited (formerly Intermin Resources Limited) and Mr Coxhell was a consultant to Intermin Resources Limited. Some information was prepared and first disclosed under the JORC Code 2004. It has not been updated since (unless indicated) to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported. The remaining exploration results and all of the information relating to resource estimates comply with JORC Code 2012. Mr O'Farrell and Mr Coxhell have 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 Resource and Ore Reserve s'. Mr O'Farrell and Mr Coxhell consent to the inclusion in this report of the matters based on their information in the form and context in which they appear.*

**References to ASX Releases**

<sup>1</sup> As announced to the ASX on 9 July 2019 (ASX: KWR)

Appendix 1: JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> <li>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</li> <li>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li> <li>Aspects of the determination of mineralisation that are Material to the Public Report.</li> <li>In cases where ‘industry standard’ work has been done this would be relatively simple (eg ‘reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay’). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</li> </ul>	<ul style="list-style-type: none"> <li>The 2019 drilling program by Kingwest Resources (KWR) includes Reverse Circulation (RC) and Diamond (DD) drilling. The majority of drill holes have a dip of -60° towards the north east.</li> <li>Industry standard RC and DD drilling and sampling protocols for lode and supergene gold deposits have been utilised throughout the campaign.</li> <li>RC holes were sampled using 4m composite spear samples, with individual 1 metre samples later submitted for assay based on the initial composite assay result.</li> <li>DD holes sample intervals ranged from 0.4m – 1.5m (averaging 0.5 m within mineralised zones and 1 m outside) and were based on geological logging.</li> <li>Samples were submitted to SGS Laboratories in Kalgoorlie where the entire sample was pulverised, split and assayed by fire assay using a 50 gram charge.</li> <li>Magnetic Susceptibility readings were taken of DD core at 5m intervals, using a Fugro RT-1 Mag Sus instrument.</li> </ul>
Drilling techniques	<ul style="list-style-type: none"> <li>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</li> </ul>	<ul style="list-style-type: none"> <li>Drilling by KWR was predominantly diamond core (DD) with Reverse Circulation (RC) pre collars. DD core is a mix of HQ and NQ diameter. All core was systematically oriented during drilling using a Reflex ACT Mk.3™ core orientation tool. Holes depths range from 60 to 480 m.</li> <li>RC pre-collars used a 4 ¾ inch diameter face sampling hammer</li> </ul>
Drill sample recovery	<ul style="list-style-type: none"> <li>Method of recording and assessing core and chip sample recoveries and results assessed.</li> <li>Measures taken to maximise sample recovery and ensure representative nature of the samples.</li> <li>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</li> </ul>	<ul style="list-style-type: none"> <li>RC sample recovery was qualitatively assessed by comparing drill chip volumes (sample bags) for individual meters. Sample depths were routinely cross checked every rod (6m). The cyclone was regularly cleaned to ensure no material build up and sample material was checked for any potential downhole contamination. All samples were dry. In the CP’s opinion the drilling sample recoveries/quality are acceptable and are appropriately representative for the style of mineralisation.</li> <li>All DD core was measured for recovery, RQD</li> </ul>

Criteria	JORC Code explanation	Commentary
		<p>and fracture intensity. Recovery was excellent at almost 100%.</p> <ul style="list-style-type: none"> <li>No grade versus sample recovery biases, or biases relating the loss or gain of fines have been identified at the project to the date. It is possible that there may be some minor biases in the RC portions of the holes. Most mineralised intervals reported here are from DD drilling.</li> </ul>
Logging	<ul style="list-style-type: none"> <li>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</li> <li>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</li> <li>The total length and percentage of the relevant intersections logged.</li> </ul>	<ul style="list-style-type: none"> <li>RC holes were logged on one metre intervals at the rig by the geologist from drill chips. All drill core was logged geologically and geotechnically in detail sufficient to support Mineral Resource estimates, mining and metallurgical studies. Logging included lithology, texture, veining, grain size, structure, alteration, hardness, fracture density, RQD, alteration, mineralisation, magnetic response</li> <li>Logging was recorded either on standard logging descriptive sheets or directly into Excel tables. Drill logs were compiled into an Access database.</li> <li>Logging is qualitative in nature. All core was photographed.</li> <li>100% of all meterage's were geologically logged.</li> </ul>
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> <li>If core, whether cut or sawn and whether quarter, half or all core taken.</li> <li>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</li> <li>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</li> <li>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</li> <li>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</li> <li>Whether sample sizes are appropriate to the grain size of the material being sampled.</li> </ul>	<ul style="list-style-type: none"> <li>For RC drilling single 1 metre splits were automatically taken at the time of drilling by a cone splitter attached to the cyclone. Duplicate splits were taken every 10 metres.</li> <li>4 metre composite samples were collected from the drill rig by spearing each 1m collection bag. The 4 metre composites were submitted for assay. The 1 metre split samples were later sent for assay based on the 4 m composite sample results.</li> <li>No duplicate 4m samples were taken for RC samples.</li> <li>All core was appropriately orientated and marked up for sampling by company geologists prior to core cutting. Sample widths range from 0.4m to 1.5m. Half core samples were submitted to the commercial laboratories in Kalgoorlie laboratory for analysis.</li> <li>Sample preparation comprised industry standard oven drying, crushing, and pulverisation to less than 75 microns. Homogenised pulp material was used for assaying</li> <li>Samples volumes were typically 2.0-4.0 kg</li> </ul>

Criteria	JORC Code explanation	Commentary
		<p>and are considered to be of suitable size for the style of mineralisation.</p> <ul style="list-style-type: none"> <li>• Blank samples were routinely dispatched to the laboratory to monitor sample preparation. These generally performed within acceptable tolerances.</li> <li>• Duplicate coarse reject samples have been submitted for assay to cross check assay repeatability. Results show variation typically of coarse grain “nuggety” gold deposits.</li> </ul>
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> <li>• <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i></li> <li>• <i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i></li> <li>• <i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i></li> </ul>	<ul style="list-style-type: none"> <li>• The 1m and 4m composite samples were assayed by Fire Assay (FA50) by SGS Laboratory in Kalgoorlie for gold.</li> <li>• Results from geophysical tools are not reported here.</li> <li>• KWR uses industry standard data collection and QC protocols. Laboratory QC (Quality Control) involves the use of internal lab standards, certified reference material, blanks, splits and replicates. QC results (blanks, coarse reject duplicates, standards) are monitored and were within acceptable limits. Approximately 10% of samples submitted were QC samples.</li> <li>• QC assays reported within acceptable tolerances. Of note is that coarse reject duplicate assays show variation from the original primary assays typically of the “nuggety” style of gold mineralisation found at the project</li> </ul>
Verification of sampling and assaying	<ul style="list-style-type: none"> <li>• <i>The verification of significant intersections by either independent or alternative company personnel.</i></li> <li>• <i>The use of twinned holes.</i></li> <li>• <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i></li> <li>• <i>Discuss any adjustment to assay data.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Significant intersections were cross checked against core photos and drill logs after drilling.</li> <li>• Several twin holes are planned to verify historic drilling intersections.</li> <li>• Data storage is as PDF/XLS files which are then migrated into an Access database.</li> <li>• KWR is currently in the process of validating and cross-checking historical project data which will be migrated into a new project database.</li> <li>• No data was adjusted.</li> </ul>
Location of data points	<ul style="list-style-type: none"> <li>• <i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i></li> <li>• <i>Specification of the grid system used.</i></li> <li>• <i>Quality and adequacy of topographic control.</i></li> </ul>	<ul style="list-style-type: none"> <li>• All drill collar locations were initially surveyed using a hand-held Garmin GPS, accurate to within 3-5m. Holes were drilled on a grid lines at some prospects and as one hole on different northings at other prospects.</li> <li>• The grid system used is MGA94 Zone 51. All reported coordinates are referenced to this grid. The topography was relatively flat.</li> </ul>

Criteria	JORC Code explanation	Commentary
		<ul style="list-style-type: none"> <li>Topography is almost flat, small differences in elevation between drill holes will have little effect on mineralisation widths on initial interpretation.</li> </ul>
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> <li><i>Data spacing for reporting of Exploration Results.</i></li> <li><i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i></li> <li><i>Whether sample compositing has been applied.</i></li> </ul>	<ul style="list-style-type: none"> <li>Holes are variably spaced ranging from 5 metres to 100m spacing.</li> <li>No resource is reported here. The data spacing is appropriate for the reporting of exploration results.</li> <li>There has been no sample compositing done.</li> </ul>
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> <li><i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i></li> <li><i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i></li> </ul>	<ul style="list-style-type: none"> <li>The relationship between the drilling orientation and the orientation of mineralised structures is not considered to have introduced a sampling bias.</li> <li>No drilling orientation related sampling bias has been identified at the project.</li> </ul>
<i>Sample security</i>	<ul style="list-style-type: none"> <li><i>The measures taken to ensure sample security.</i></li> </ul>	<ul style="list-style-type: none"> <li>Samples were collected on site under supervision of the responsible geologist. Visitors need permission to visit site. Once collected samples were bagged and transported to Kalgoorlie by company personnel for assaying. Dispatch and consignment notes were delivered and checked for discrepancies.</li> </ul>
<i>Audits or reviews</i>	<ul style="list-style-type: none"> <li><i>The results of any audits or reviews of sampling techniques and data.</i></li> </ul>	<ul style="list-style-type: none"> <li>No company or external audits of sampling techniques or data have been completed at the project to date.</li> </ul>

## Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> <li><i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i></li> <li><i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i></li> </ul>	<ul style="list-style-type: none"> <li>All tenements are owned 100% by KWR. There are no royalty agreements or joint ventures over the Menzies tenements. There is no native over the project area and no historical sites, wilderness or national parks.</li> <li>The tenements are in good standing and no known impediments exist.</li> </ul>
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> <li><i>Acknowledgment and appraisal of exploration by other parties.</i></li> </ul>	<ul style="list-style-type: none"> <li>Previous workers in the area include Pancontinental Mining, Rox Resources, Regal Resources, Goldfields, Heron Resources and Intermin Resources Limited</li> </ul>

Criteria	JORC Code explanation	Commentary
		<p>(now Horizon Minerals). Several open cut mines were drilled and commissioned in the 1980's and 1990's.</p> <ul style="list-style-type: none"> <li>• Extensive underground mining was undertaken from the 1890's – 1940's across the leases and it is estimated that historic exploration was often undertaken via blind shafts initially.</li> </ul>
Geology	<ul style="list-style-type: none"> <li>• <i>Deposit type, geological setting and style of mineralisation.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Archaean quartz and shear hosted lode and supergene gold.</li> </ul>
Drill hole Information	<ul style="list-style-type: none"> <li>• <i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i> <ul style="list-style-type: none"> <li>○ <i>easting and northing of the drill hole collar</i></li> <li>○ <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i></li> <li>○ <i>dip and azimuth of the hole</i></li> <li>○ <i>down hole length and interception depth</i></li> <li>○ <i>hole length.</i></li> </ul> </li> <li>• <i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i></li> </ul>	<ul style="list-style-type: none"> <li>• A summary of the material drill holes is tabulated in the main body of this report.</li> </ul>
Data aggregation methods	<ul style="list-style-type: none"> <li>• <i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</i></li> <li>• <i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i></li> <li>• <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i></li> </ul>	<ul style="list-style-type: none"> <li>• No weighting or averaging calculations were made, assays reported and compiled on the "first assay received" basis. Reporting cut-off grades. Significant intersections are reported for all intervals equivalent to <u>1m@1.0g/t Au</u> or higher. Maximum internal dilution of <u>2m@&lt;1.0g/t Au</u>.</li> <li>• As above.</li> <li>• No metal equivalent calculations were applied.</li> </ul>
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> <li>• <i>These relationships are particularly important in the reporting of Exploration Results.</i></li> <li>• <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i></li> <li>• <i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</i></li> </ul>	<ul style="list-style-type: none"> <li>• Mineralisation is generally west dipping at about 50 degrees.</li> <li>• Drillholes are generally perpendicular to the main strike/dip of mineralisation with drillhole intersections close to true width of the mineralised lodes.</li> <li>• Downhole widths reported in this announcement are believed to be generally close (80-100%) to the true width. Of note is that mineralisation widths from RC drilling results may potentially be overstated in some</li> </ul>



Criteria	JORC Code explanation	Commentary
		instances as the minimum sampling interval is 1 metre which does not always correspond to the real mineralisation boundaries.
<i>Diagrams</i>	<ul style="list-style-type: none"> <li>• <i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Appropriate figures, tables, maps and sections are included with the report to illustrate the exploration results reported</li> </ul>
<i>Balanced reporting</i>	<ul style="list-style-type: none"> <li>• <i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Results from all drill-holes in the program have been reported and their context discussed.</li> </ul>
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> <li>• <i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i></li> </ul>	<ul style="list-style-type: none"> <li>• No other exploration data is reported here.</li> </ul>
<i>Further work</i>	<ul style="list-style-type: none"> <li>• <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i></li> <li>• <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Additional drilling will be designed to test the depth and lateral extensions to the priority areas which will be determined upon completion of the full 2019 programs.</li> </ul>