Kingwest Resources Ltd

ASX: KWR

Shares on Issue
100,582,726

Directors & Management

Chairman
Adrian Byass

CEO
Ed Turner

Non Executive Directors
Stephen Brockhurst
Jonathan Downes
Jon Price

Company Secretary
David McEntaggart

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

Registered Office
Level 11
216 St Georges Terrace
Perth WA 6000

Contact

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

5 February 2020

Tenement Consolidation continues at Menzies – expanded holdings over mineralised structures within the Menzies Gold Project.

- 6km of prospective ground acquired 100% under Prospecting Licence Applications (KWR)
- Located along strike and between gold deposits of the Menzies Gold Project
- Largely under transported soil cover hosting the St Albans historic underground mine
- The Menzies Mineralised Corridor continues through the new tenements; Significant intersections within KWR's Lady Irene deposit and Selkirk deposit include:

Lady Irene
- **7.00m @ 45.77 g/t Au** from 54m in MDRC8
- **2.00m @ 37.60 g/t Au** from 133m in LIRC2
- **39.30m @ 4.27g/t Au** including **12m @ 7.68 g/t Au** from 159m in LIRD003

Selkirk
- **3.00m @ 74.6 g/t Au** from 84m in MZRC1552
- **2.00m @ 34.80 g/t Au** from 48m in MZRC0262A
- **4.00m @ 17.10 g/t Au** from 50m in S04533

Kingwest Resources Limited ("Kingwest" or "KWR") is pleased to provide information regarding the further consolidation of tenure at the Menzies Gold Project (MGP). A 100% interest in approximately 6km of prospective tenure with the same geology as hosting significant historical production and exploration success as the MGP and also with historical underground mining has been applied for by KWR within the MGP (Figure 1). The application area includes eight (8) Prospecting Licences numbered P29/2578 – 2585 inclusive (see Table 1 for details).

Kingwest CEO Ed Turner commented that *"We are excited to increase our holdings with a significant area of prospective land at our MGP. This is located between known high-grade gold mineralisation at Lady Irene and Selkirk. Recently flown detailed aeromagnetics at Menzies clearly show the sequence of rocks that host the Menzies Mineralised Corridor continuing through the new PLA's. Historical underground mining has been conducted on this strike trend. This further consolidation strengthens KWR's land holdings and we look forward to commencing exploration in the PL's upon grant."*

Significant transported sand cover extends over the bedrock and weathered in-situ geology in the northern parts of the MGP. This reduced the success of

historical exploration and prospecting. KWR is well placed to drill test the mineralised strike extent.

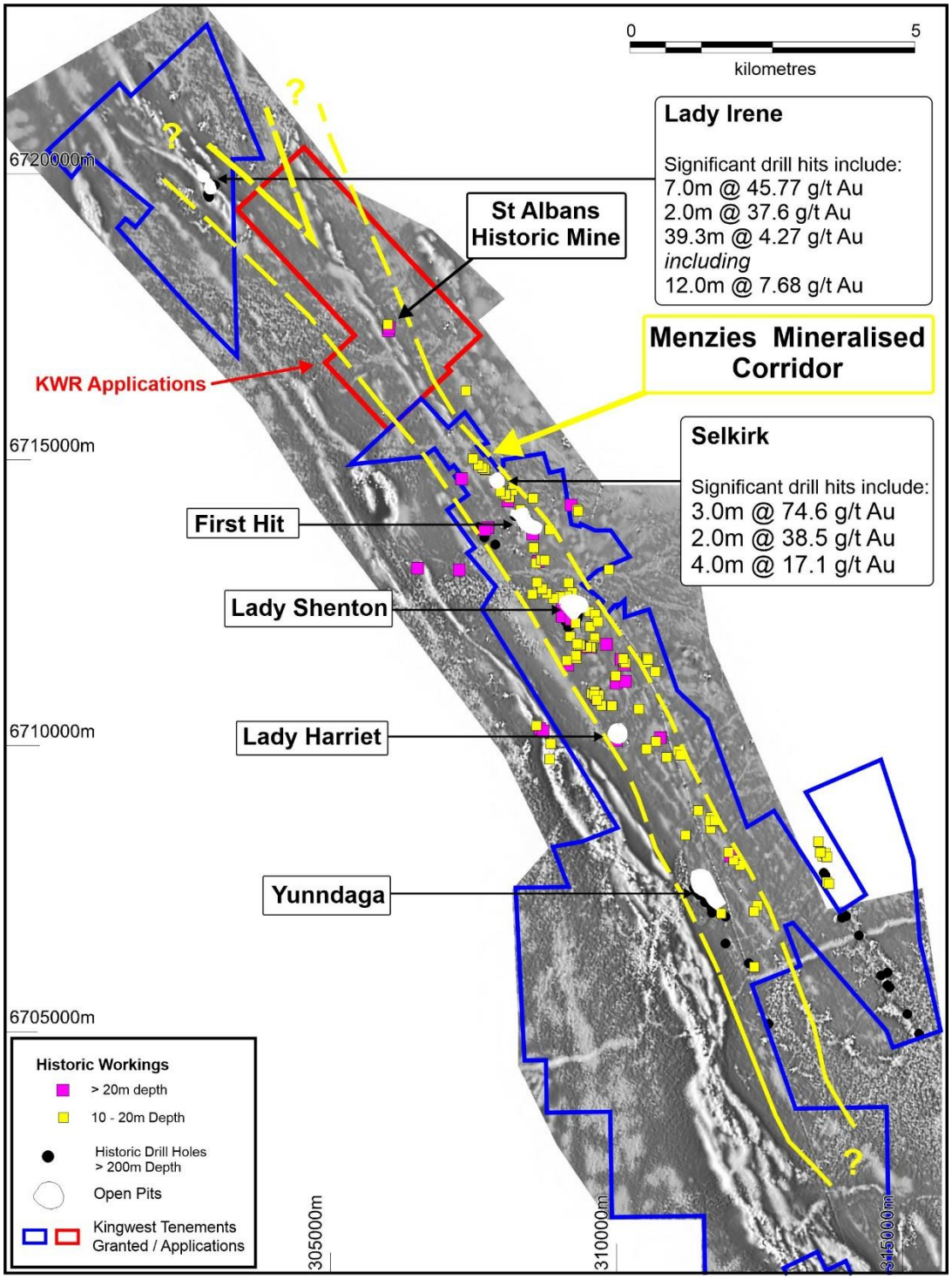

Figure 1: New tenements shown in red between existing KWR tenements (blue) cover the structural trend extending from the major gold mines of Menzies, through the new tenure and into Lady Irene.

Table 1: Prospecting Licence Application details. N.B. Menzies Operational and Mining Pty Ltd is a wholly owned subsidiary company of Kingwest Resources Limited

Tenement ID	Holder	Area (ha)
P29/2578	Menzies Operational and Mining Pty Ltd	120.7
P29/2579	Menzies Operational and Mining Pty Ltd	120.7
P29/2580	Menzies Operational and Mining Pty Ltd	120.0
P29/2581	Menzies Operational and Mining Pty Ltd	120.0
P29/2582	Menzies Operational and Mining Pty Ltd	120.1
P29/2583	Menzies Operational and Mining Pty Ltd	113.0
P29/2584	Menzies Operational and Mining Pty Ltd	113.0
P29/2585	Menzies Operational and Mining Pty Ltd	113.0

Kingwest has agreed to issue 110,529 fully paid shares at a deemed value of $21,000 and pay $24,000 cash for the purchase of data acquired relating to the tenement package.

NEXT STEPS

Kingwest will firstly complete a detailed interpretation of the aeromagnetic data in conjunction with known geology and the limited historic drilling with the PLA's. This will lead to the delineation of the best structural settings suitable for gold mineralisation. Following grant of the tenements first pass aircore drilling will be planned focussing on the best structural target areas.

ABOUT MGP

Menzies is one of Western Australia's major historic gold fields. Located 130km north of the globally significant gold deposits of Kalgoorlie, the MGP includes multiple high-grade deposits (Figure 2). Past production and current resources confirm the significant scale of the Menzies region.

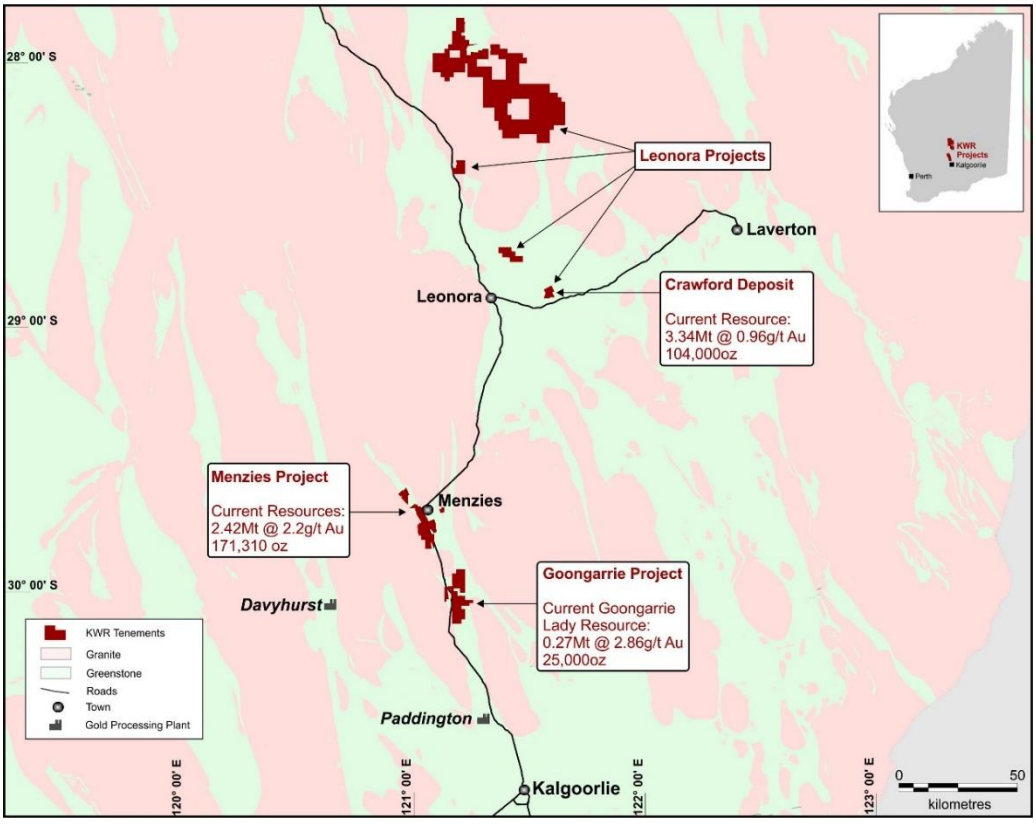

Figure 2: KWR Project locations and current JORC resources.

The MGP covers a contiguous land package over a strike length in excess of 15km. Within the MGP a series of structurally controlled high-grade gold deposits have been historically mined and display extensive exploration potential for high-grade extensions. Modern exploration since closure over 20 years ago has been limited.

The MGP is hosted along the Menzies Shear Zone. All deposits lie within granted Mining Leases and are 100% owned by KWR.

The MGP has recorded historical production of **643,200 oz @ 22.5g/t Au**[1] from underground (U/G) between 1895 and 1943 plus **145,000 oz @ 2.6g/t Au**[2] open cut between 1995 and 1999, for a total of **787,200 oz @ 18.9g/t**[1] **Au** (Figure 3).

A current 2012 JORC compliant Resource has been defined at the Yunndaga, Pericles, Bellenger and Warrior Deposits and is detailed in Table 1. These resources have only been calculated for shallow mineralisation considered suitable for open cut mining at periods of lower gold prices. Higher-grade intersections within this larger mineralisation package have thus been diluted by the low cut-off grade applied. The MGP deposits remain poorly drill tested at depth, along strike and also display considerable potential for en echelon/parallel repeated lodes in a lateral offset under cover.

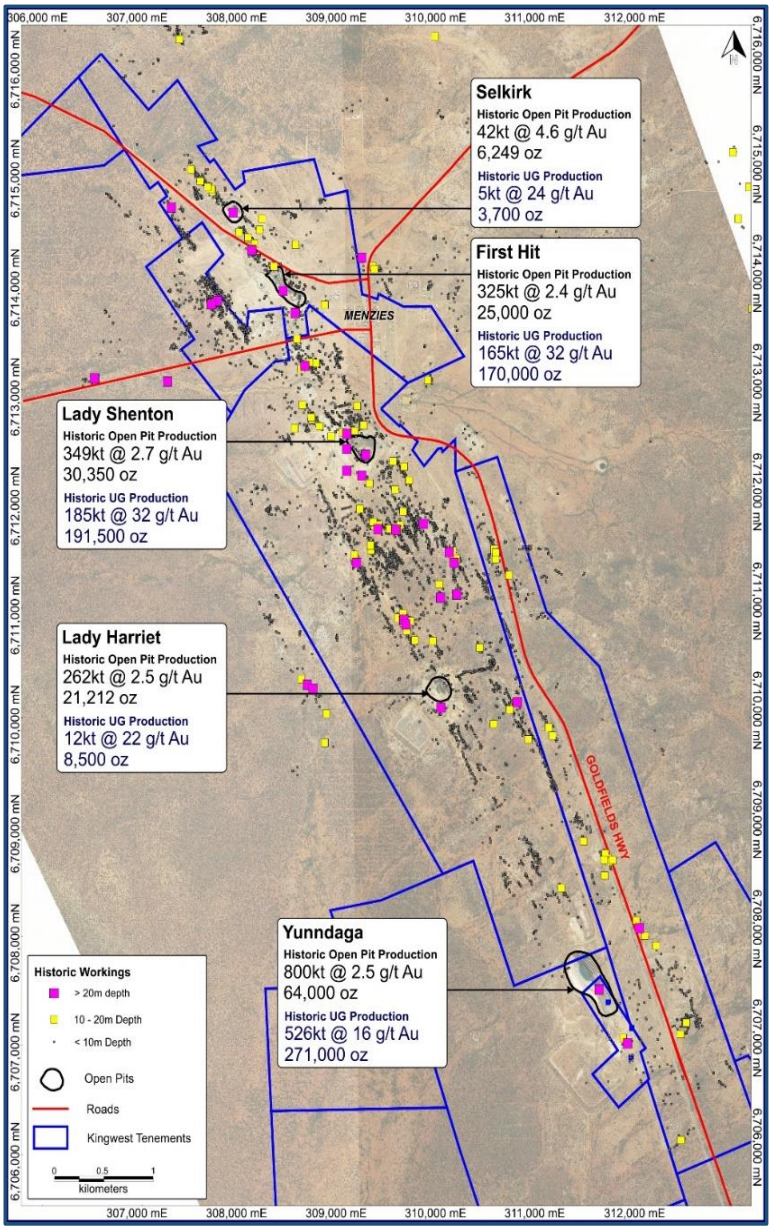

Figure 3: MGP Historic production figures and deposit locations

Table 2: Menzies Gold Project – Summary of current Mineral Resources (pre KWR acquisition and drilling).

Deposit	Indicated Resource			Inferred Resource			Total Resource		
(>1g/t Au)	Mt	Au (g/t)	Oz	Mt	Au (g/t)	Oz	Mt	Au (g/t)	Oz
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
TOTAL	**0.77**	**2.52**	**62,400**	**1.65**	**2.05**	**108,910**	**2.42**	**2.2**	**171,310**

References to ASX Releases

[1] As announced to the ASX on 19 February 2019 (ASX: IRC)
[2] As announced to the ASX on 22 October 2015 (ASX: IRC)

-Ends-

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

Further information contact:

Ed Turner
CEO
T: +61 8 9481 0389
E: admin@kingwestresources.com.au

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.

Appendix 1: Material Drill Holes

	Hole Number	Easting	Northing	RL	Dip	Azi	EOH (m)	From (m)	To (m)	Width (m)	Au (g/t)
Lady Irene	LIRD002	302833.00	6719713.00	391	-60	045	173.10	124.65	128.60	3.95	7.51
	including							128.00	128.60	0.60	27.70
	LIRD003	302869.00	6719613.00	391	-60	045	237.60	159.00	198.30	39.30	4.27
	including							184.00	196.00	12.00	7.68
	LIRC41	302647.64	6719807.24	300	-60	228	50.00	36.00	40.00	4.00	12.57
	LIRC2	302796.15	6719635.26	300	-60	228	133.00	127.00	129.00	2.00	37.60
	LIRC14	302804.61	6719644.59	300	-60	228	179.00	166.00	170.00	4.00	5.46
	LIDDH1	302841.17	6719643.09	300	-60	224	225.70	183.00	187.00	4.00	5.42
	LIRC3	302848.85	6719615.85	300	-53	228	196.00	159.00	160.00	1.00	20.37
	MDRC17	302755.47	6719561.19	300	-60	44	61.00	35.00	38.00	3.00	8.68
	MDRC8	302777.85	6719618.06	300	-60	224	96.00	54.00	61.00	7.00	45.77
Selkirk	MZRC1552	307817.46	6714614.68				100.00	84.00	87.00	3.00	74.56
	and							50.00	51.00	1.00	16.40
	MZRC1605	307826.00	6714621.00	418.91	-90	0	90.00	77.00	79.00	2.00	12.65
	S02254	307842.26	6714675.80					18.00	20.00	2.00	38.50
	MZRC1551	307808.84	6714650.34				62.00	40.00	41.00	1.00	15.10
	SKP008	307935.29	6714708.73	420	-60	59.04	40.00		1.00	1.00	22.60
	MZRC1553	307830.27	6714588.31				110.00	64.00	65.00	1.00	13.90
	MZRC0262A	307901.87	6714619.26	423	-60	59.04	50.00	48.00	50.00	2.00	34.80
	S04334	307881.29	6714595.49	420.05	-90	360	99.00	85.00	86.00	1.00	12.20
	S04563	307914.01	6714614.72	414.69	-90	360	62.00	52.00	58.00	6.00	7.10
	S04533	307918.25	6714611.72	415.45	-90	360	60.00	50.00	54.00	4.00	17.10
	S04878	307909.18	6714616.36	413.89	-90	360	60.00	48.00	52.00	4.00	13.55
	MZRC0263A	307867.57	6714598.68	423	-60	59.04	77.00	72.00	74.00	2.00	17.40

Appendix 2: JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *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.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *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.*	• The deposit has been drilled using Rotary Air Blast (RAB), Air Core (AC), Reverse Circulation (RC) and Diamond (DD) drilling over numerous campaigns by several companies and most recently by Intermin. The majority of drill holes have a dip of -60° towards the east. RAB, RC & Air Core holes were commonly sampled using 2 or 4m composite samples, and significant results were then single metre sampled. • Industry standard drilling and sampling methods for lode and supergene gold deposits have been utilised throughout the various drilling campaigns. • Sampling intervals for RAB, AC & RC holes ranged from 1-4m and for Diamond holes 0.4 – 2.0m. Samples assayed for Au only. 4m composite results often display some highly variable correlation with individual 1m split samples, which is indicative of the high nugget effect.
Drilling techniques	• *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).*	• Recent drilling by Intermin was Reverse Circulation with a 4.5" face sampling hammer bit. • Historic RAB, AC, RC & Diamond drilling specifics are unknown.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *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.*	• Intermin Drilling: RC recovery and meterage was assessed by comparing drill chip volumes (sample bags) for individual meters. Good recoveries were recorded. Routine check for correct sample depths are undertaken every rod (6m). RC sample recoveries were visually checked for recovery, moisture and contamination. The cyclone was routinely cleaned ensuring no material build up. Due to the good drilling conditions around the sample interval (dry) the geologist believes the samples are representative, some bias would occur in the advent of poor sample recovery (which was not seen). • Historic Drilling: Good sample recovery was recorded for the majority of holes.
Logging	• *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.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• Intermin Drilling: Drill chip logging was completed on one metre intervals at the rig by the geologist. The log was made to standard logging descriptive sheets, and transferred into Micromine computer once back at the office. • Logging was qualitative in nature. • 100% of all meterages were geologically logged. • Historic Drilling: Some historic holes haven't been geologically logged.

Criteria	JORC Code explanation	Commentary
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *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.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	Intermin Drilling: • RC samples taken. • RC samples were collected from the drill rig by spearing each • 1m collection bag and compiling a 4m composite sample. • Single splits were automatically taken by emptying the bulk sample bag into a riffle splitter. Samples collected in mineralisation were all dry. • For Intermin samples, no duplicate 4m composites were taken in the field. 1m samples were submitted to Nagrom, ALS or Aurum Laboratories in Perth. • Samples were consistent and weighed approximately 1.5-2.0 kg and it is common practice to review 1m results and then review sampling procedures to suit. • Once samples arrived in Perth, further work including duplicates and QC was undertaken at the laboratory. Intermin has determined sufficient drill data density is demonstrated at the Pericles, Big Babe, Lady Shenton, Warrior, Bellenger and Yunndaga prospects and Mineral Resource Estimate have been completed. • Mineralisation is located in weathered clays, sometimes saprolitic, transitional and fresh rock and the sample size is standard practice in the WA Goldfields to ensure representivity. Quartz and minor sulphides were observed which is consistent with narrow vein quartz and shear- hosted mineralisation known to occur in the Menzies region. Historic Drilling: • Diamond core samples were half core, RC samples were riffle split. • Samples were dry. • Some laboratory duplicates were completed in RAB programs. The duplicate results were of an acceptable deviation to initial results. Unknown if Lab standards.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *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.* • *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.*	Intermin Drilling: • The most recent 1m and 4m composite samples were assayed by Aqua Regia (ICP008) with a Fire Assay check (FA50) by Nagrom Accredited Labs (Perth) for gold only and is considered a partial digest. Work undertaken at ALS and Aurum utilised the same methods above. • No geophysical assay tools were used. • Laboratory QA/QC involves the use of internal lab standards using certified reference material, blanks, splits and replicates as part of the in-house procedures. QC results (blanks, duplicates, standards) were in line with commercial procedures, reproducibility and accuracy. Aqua regia digestion and fire assay (FA50) checks were used. • Historic assays were either Fire Assay or Aqua Regia.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry*	Intermin Drilling: • Work was supervised by senior Nagrom, ALS or Aurum staff experienced in metals assaying. QC data reports confirming the sample quality are supplied.

Criteria	JORC Code explanation	Commentary
	procedures, data verification, data storage (physical and electronic) protocols. • *Discuss any adjustment to assay data.*	• No twin holes undertaken. • Data storage as PDF/XL files on company PC in Perth office. • No data was adjusted. Historic Drilling: • Documentation of drilling was onto paper then transferred to a digital data base • Diamond core and representative chip trays have been stored at various project locations in the region.
Location of data points	• *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.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• All drill collar locations were initially surveyed using a hand held Garmin GPS, accurate to within 3-5m. These holes were later surveyed more accurately using a RTK-GPS system by a contracted surveyor and data used in the Mineral Resource Estimate. Holes were drilled on a close grid in places and wider in less advanced areas in accordance with collar coordinates tables supplied with the initial ASX releases. The grid system used is MGA94 Zone 51. All reported coordinates are referenced to this grid. The topography was relatively • flat. • Grid MGA94 Zone 51. • Topography was fairly flat, small differences in elevation between drill holes will have little effect on mineralisation widths on initial interpretation. The topographic surface has been sourced from historic data used during the operation of the mine. It is considered to be of sufficient quality to be valid for this stage of exploration.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *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.* • *Whether sample compositing has been applied.*	• Holes were variably spaced and were consistent w ith industry standard resource style drilling in accordance with the collar coordinates tables supplied with the initial ASX releases. • The hole spacing was determined by Intermin to be sufficient when combined with confirmed historic drilling results to define mineralisation classified as JORC compliant as stated in the Resource Summary Table 1. The sample spacing and the appropriateness of each hole to be included to make up data points for a Mineral Resource has been determined. More drilling is required to classify Measured Resource Estimates. • These assays are from 1m length sample intervals down hole.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *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.*	• The relationship between the drilling orientation and the orientation of mineralised structures is not considered to have introduced a sampling bias. Given the style of mineralisation and drill spacing/method, it is the most common routine for delineating shallow gold resources in Australia.
Sample security	• *The measures taken to ensure sample security.*	Intermin Drilling: • Samples were collected on site under supervision of the responsible geologist. The work site is on pastoral station. Visitors need permission to visit site.

Criteria	JORC Code explanation	Commentary
		Once collected samples were wrapped and transported to Kalgoorlie for loading and transport to Perth (Nagrom, ALS or Aurum). Dispatch and consignment notes were delivered and checked for discrepancies. Historic Drilling: • Sample security measures unknown.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No Audits have been commissioned. • The drill database, resource data and historic reports have been reviewed by several Company and Consultant geologists in detail.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *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.* • *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.*	• Appendix 1 contains the list of tenements that comprise the Menzies Gold Project. • Original vendor retains the right to claw back a 70% interest in the event a JORC compliant resource exceeding 500,000oz is delineated for a fee three times expenditure. • The tenements are in good standing and no known impediments exist.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Previous workers in the area include Pancontinental Mining, Rox Resources, Regal Resources, Goldfields, Heron Resources and Intermin Resources Limited. Several open cut mines were drilled and commissioned in the 1980's and 1990's. • 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.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Archean quartz and shear hosted lode and supergene gold.

Drill hole Information	• *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:*
	  ○ *easting and northing of the drill hole collar*
	  ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
	  ○ *dip and azimuth of the hole*
	  ○ *down hole length and interception depth*
	  ○ *hole length.*
	• *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.*
		• A summary of the material drill holes is contained in Appendix 2.

Data aggregation methods	• *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.*	• No weighting or averaging calculations were made, assaysreported and compiled on the "first assay received" basis.

Criteria	JORC Code explanation	Commentary
	• *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.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Cut off grades were routinely applied and was incorporated in the resource calculations. • No metal equivalent calculations were applied.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *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').*	• Mineralisation is generally west dipping at about 50 degrees. Individual ore shoot geometry varies to subvertical in some areas and this has been captured and modelled accordingly with wireframe interpretations. Given the spacing of the holes, it was deemed adequate to portray the interpreted ore zones. • Drill intercepts and true width appear to be very close to each other, or within reason allowing for the minimum intercept width of 1m. Intermin estimates that the true width is variable but probably close to 100% of the intercepted width. • Given the nature of RC drilling, the minimum width and assay is 1m. Diamond core is best used to determine cm scale mineralisation widths. Intermin downhole intercepts have been tabulated in previously ASX releases. True intercepts are not known however the downhole intercepts appear to represent very close to true width given the orientation of the drilling.
Diagrams	• *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.*	• No significant discovery is being reported.
Balanced reporting	• *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.*	• Intermin drilling results have been routinely shown in releases >0.50g/t for individual 1m intervals for the Pericles, Bellenger, Lady Harriet and Yunndaga prospects. For compilation of resource estimates all data is evaluated from the database to form the basis of mineralisation outlines.
Other substantive exploration data	• *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.*	• See details from previous ASX releases as found in the Reference list to this release.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• A drilling program is being designed to test the depth and lateral extensions of priority areas which include Yunndaga and Lady Shenton as top priorities.

Section 3 Estimation and Reporting of Mineral Resources

Criteria	JORC Code explanation	Commentary
Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.* • *Data validation procedures used.*	• For Intermin drilling geological and field data is collected using hand written logs. Historical drilling data has been captured from historical drill logs where available. • The data is verified by company geologists before the data is transcribed into Micromine software and reviewed for accuracy against the planned details and validated using Micromine programs. The resource is based on a reasonable level of accuracy in the historical work, there have been several reports and independent due diligence and QA/QC studies that have lent credibility to the previous work.
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	• Company geologists have made numerous site visits to the project area to conduct the drilling for numerous drilling programs. David O'Farrell and Simon Coxhell the Competent Persons for Intermin resource estimates have visited the site numerous times and while drilling programs have been undertaken. Inspections of procedures have been made throughout Intermin drilling and sampling programs. • Not applicable.
Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* • *Nature of the data used and of any assumptions made.* • *The effect, if any, of alternative interpretations on Mineral Resource estimation.* • *The use of geology in guiding and controlling Mineral Resource estimation.* • *The factors affecting continuity both of grade and geology.*	• The confidence in the geological interpretation is high, gold mineralisation is associated with quartz veins in narrow 1-4m wide shoots. The mineralisation zones are typically defined by a 0.3 g/t Au mineralised envelope which was then wireframed. Continuity between sections is considered reasonable and reliable. • The data used to construct the geological model included was based on historic mining, assay and geological data. This was imported into Micromine. • The deposits all consist of west dipping lodes with a southerly plunge. Infill drilling has supported and refined the model and the current interpretation is considered robust. • Widespread drilling and geological mapping of the sparse outcrops of host rocks have supported the estimate. • Infill drilling has confirmed geological and grade continuity.
Dimensions	• *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	• Pericles: The Mineral Resource area extends over an intermittent strike length of 450m an average 70m vertical interval from 4220mRL to 350mRL. • Warrior: The Mineral Resource area extends over an intermittent strike length of 200m and includes an average 70m vertical interval from 410mRL to 340mRL. • Bellenger: The Mineral Resource area extends

Criteria	JORC Code explanation	Commentary
		over an intermittent strike length of 500 and includes an average 60m within a vertical interval from 420mRL to 3255mRL. • Yunndaga: The Mineral Resource area extends over an intermittent strike length of 820m and includes 30m to 110m vertical interval from the 385mRL to 200mRL. • The deposits all remain open at depth with strike potential. Other potential gold lenses have not been tested adequately.
Estimation and modelling techniques	• *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.* • *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.* • *The assumptions made regarding recovery of by-products.* • *Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).* • *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* • *Any assumptions behind modelling of selective mining units.* • *Any assumptions about correlation between variables.* • *Description of how the geological interpretation was used to control the resource estimates.* • *Discussion of basis for using or not using grade cutting or capping.* • *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	• Grade estimation using Inverse Distance squared (ID^2) was completed using Micromine V12 modelling software for the resource interpolation. Drill grid spacing ranges is typically around 20 metres. • Drillhole sample data was flagged using domain codes generated from three dimensional mineralisation domains and then used to create the composite files. 1m assay composites were used. The influence of extreme grade outliers was reduced by top-cutting. The top cut was determined by using a combination of grade histograms, log probability plots and CV's. Wireframe domains were based on a 0.3g/t Au mineralised envelope. Minimum block size was 5m x 5m x 2.5m. The CoxRocks Yunndaga OBM was compared successfully to a block model from Paddington Resources created back in 1998. • No by-products were considered. • No deleterious elements are present. • Minimum block size was 5m x 5m x 2.5m. A 15g/t cut was universally applied, regardless of the domain. Search setting was modelled on a search ellipse using ID2 dipping west about • 50 degree with a southern plunge of 45 degree. • No selective mining units were assumed in this estimate. • There was no correlation between variables (only gold estimated). • Geological interpretations were completed on 20m sections, using resource drilling. 3D wireframes where then constructed around these interpretations, creating 14 domains. In addition to these mineralised domains, a base of oxidation and top of fresh rock was also used. • The grade cut of 15 g/t Au was based on the grade distribution characteristics of the single split assays. Log-probability graphs revealed an inflection point around 15g/t where the high grade samples deviated. In total 37 samples were cut which reduced the coefficient of variation to within acceptable levels. • The Intermin block models were compared against the historic resource/block models from preliminary models by Coxrocks where available for the Pericles, Bellenger, and Yunndaga prospects. • No reconciliation data was available as all the resources are unmined.

Criteria	JORC Code explanation	Commentary
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	• The resource tonnage is reported using dry bulk density. This was based on Intermin's data that indicated the wet specific gravity of oxidised basalt as derived from core testing to be 2.26 and fresh basalt to be 2.96. Intermin used 1.8 for oxidised, 2.2 for transitional and 2.6 for fresh rock. The Specific gravity values are also consistent with industry standards at other mines located in the Eastern Goldfields.
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	• The Gold Mineral Resources are reported inside the mineralisation wireframe that was constructed at a 0.3g/t Au cut-off and then further constrained to 1.0 and 0..5g/t Au cutoff during estimation.
Mining factors or assumptions	• *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.*	• Mining of the deposits as they are currently understood known will be initially by open cut mining. Possibly Yunndaga could be accessed from an underground decline if enough additional resources are discovered. Smaller machinery would be utilised in the ore zone as mining will be more selective. Underground potential is definitively present however additional drilling is required to test zones at depth before an underground mining assessment can be made.
Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.*	• Metallurgical testwork has been conducted but not viewed. Reference was made to historic performance of the historic mines and a very high gravity component has been noted.
Environmen-tal factors or assumptions	• *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.*	• Ore would be mined from the deposits and transported to a central processing facility on the leases or a 3rd party facility offsite. The deposits are all located on granted mining leases and there has been extensive land disturbance immediately adjacent and surrounding the deposits. Mine tailings could be deposited in abandoned pits or at other sites where the ore is processed.
Bulk density	• *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.* • *The bulk density for bulk material must have been measured by methods that adequately account for*	• The method used an air dried half core sample which was weighed in air and then immersed in water. Porous samples were sealed with bees wax. Minor outliers were removed to arrive at an average value. • Values for the ore categories as determined are: Oxide 1.80 t/m^3

Criteria	JORC Code explanation	Commentary
	void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit. • *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	• Transitional 2.20 t/m^3 • Fresh 2.60 t/m^3
Classification	• *The basis for the classification of the Mineral Resources into varying confidence categories.* • *Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).* • *Whether the result appropriately reflects the Competent Person's view of the deposit.*	• Mineral Resources have been classified on the basis of confidence in the geological and grade continuity using the drilling density, geological model, pass in which the gold was estimated and the distance to sample selections. • Indicated Mineral Resources have been defined generally in areas of 20m by 10m drill spacing. Ore outlines that had lower confidence in continuity were ignored and not categorised as inferred. The oxide zone is shallow at Menzies being just 30m on average. Overall the high drill density and number of holes defining a reasonably consistent ore zone(s), rather than ore type, is the main factor influencing the resource category. • As described above the Mineral Resource classification has been based on the quality of the data collected (geology, survey and assay data) the density of the data, grade estimation quality and geological/ mineralisation model. • The reported resource estimates are consistent with the view of the deposits by the Competent Person.
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	• An external review has been carried out by David O'Farrell on Mr Simon Coxhell's work, which include an analysis of the sections and wireframe validation, resource estimation methodology and validation.
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	• The relative accuracy of the Mineral Resource Estimates is reflected in the reporting of the Mineral Resource as per the guideline of the 2012 JORC code. The classification is supported by a sound understanding of the geology of the deposit, the drill hole spacing, historic mining data and a reasonable dataset supporting the density used in the resource model. Both competent persons have over 20 years' experience, with several years working in the region. • The statement relates to the global estimate of tonnes and grade. • Significant historical production has been reported at Lady Shenton, Lady Harriet and Yunndaga from both initial underground methods dating back to 1890's and open cut methods in the 1990's.