

11 March 2020

## Exploration Targets delineated at Menzies

**Kingwest Resources Ltd** (ASX: **KWR**) (“**Kingwest**” or “**the Company**”) is pleased to announce that it has developed Exploration Targets that are currently being drilled (ASX announcement 4 February 2020) for the main mineralised systems within the Menzies Gold Project (MGP). There are numerous other shallow, blind, extensional and geophysical targets not being tested in this programme. The Company has sought to use understanding gained from the 2019 drilling campaign to focus on what it believes to be the highest priority areas in the short-term.

An initial ~8,300 metre Reverse Circulation (RC) and Diamond core (DD) drilling programme, currently in-progress, is testing these Targets within the Yunndaga, Lady Shenton and First Hit systems. This initial drilling programme is projected to finish in late May 2020 but, depending upon results, may be extended. The initial programme is approximately as follows.

- 3,300 metres at Yunndaga (Princess May Lode)
- 3,700 metres at Lady Shenton Lode; and
- 1,300 metres at First Hit Lodes

The drilling being completed in this campaign includes testing of some near-surface mineralisation but mainly focusses upon testing of deeper Exploration Targets. These deeper Exploration Targets are comprised of the predicted continuation of high-grade gold mineralisation below historical underground workings at three of the project’s larger gold deposits. The Exploration Targets are quantified below in Table 1:

**Table 1: Exploration Targets for the Princess May, Lady Shenton and First Hit Lodes.**

Exploration Target	System	Tonnage Range*	Grade Range*
<b><i>Princess May Lode Depth Extension</i></b>	Yunndaga	194,000t - 388,800t	10g/t Au - 16g/t Au
<b><i>Lady Shenton Lode Depth Extension</i></b>	Lady Shenton	121,500t - 182,250t	16g/t Au - 32g/t Au
<b><i>First Hit Lodes Depth Extension</i></b>	First Hit	72,900t - 145,800t	16g/t Au - 32g/t Au
<b>Total =</b>		<b>388,800t - 716,050t</b>	<b>13g/t Au - 23g/t Au</b>

*NB# There are 31.1 gram (g) per troy ounce of gold (oz Au)*

The Exploration Targets\* support the Company’s 2020 drilling programmes which has the objective of defining extensions to the historic high-grade underground mineralisation and proving up new mineral resources.

\* The potential quantity and grade of the Exploration Targets is conceptual in nature; there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration work will result in the estimation of a Mineral Resource.

The Menzies Gold Project (MGP) is structurally controlled with clearly defined, bounding shear zones defining an elongate mineralised corridor approximately 1.2km wide and over 10km long. The main zones, or System of mineralisation, the corridor and the location of this current phase of drilling is shown below in Figure 1.

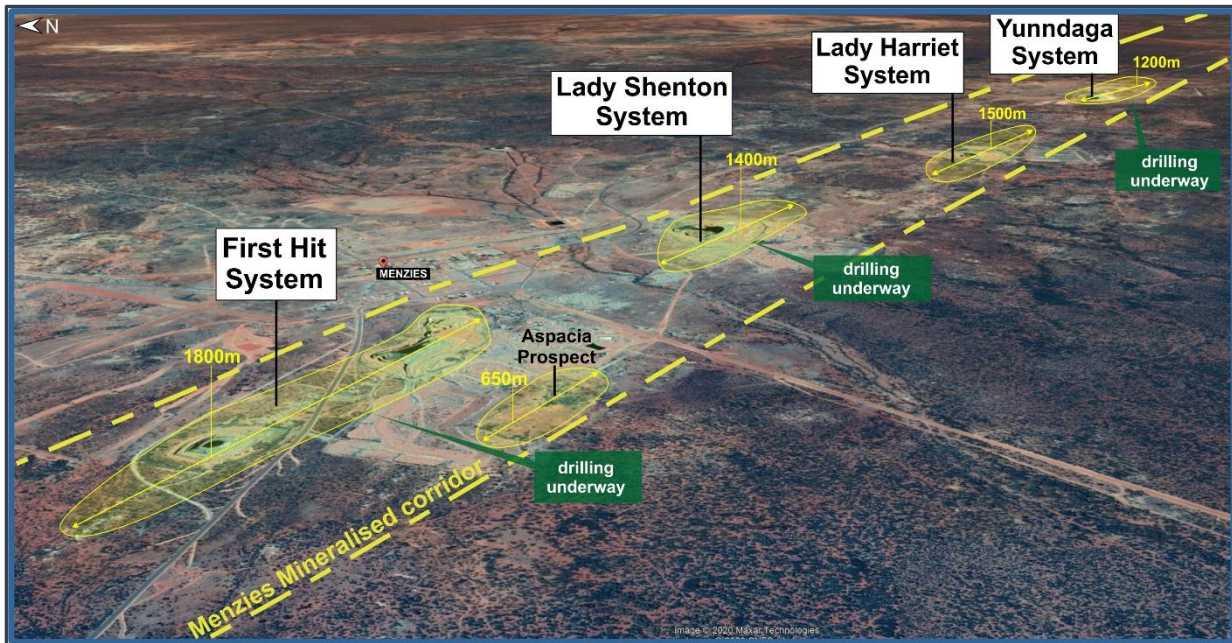


Figure 1: MGP main mineralised systems and planned drilling locations for the current programme.

A detailed plan view showing the Kingwest tenement position covering the ‘Menzies Mineralised Corridor’ is shown in Appendix 1.

The Exploration Targets discussed in this announcement should be considered in conjunction with the current Mineral Resource Estimate (MRE; defined in accord with the 2012 JORC Code) and areas of known mineralisation (often above Exploration Targets), for which Exploration Targets or MRE which comply with the JORC Code have not yet been defined.

MRE’s, compliant with the 2012 JORC Code, for the both the Menzies and Goongarrie Projects are tabulated in Appendix 2.

## THE EXPLORATION TARGETS

### 1. Yunndaga (Princess May) Depth Extension

There currently is an MRE for shallow, potentially open-pit mineable mineralisation situated beneath the Yunndaga open cut mine, mined from 1995 to 1998, but Kingwest has not yet completed sufficient exploration of the area previously mined using underground methods to determine whether it is possible to complete an MRE for that area.

The initial mining operations at Yunndaga, from 1896-1926 and then 1934-1936, exploited the Princess May Lode (Figure 2) and resulted in the production of 526,000 t @ 16g/t Au for 270,580 oz Au. Mining reached a vertical depth of 625m and at that level (Level 21) high-grade mineralisation was present, as described in a previous announcement (ASX announcement 6 February 2020).

The continuation of the high-grade gold mineralisation below the deepest workings is referred to as “Depth Extension” and the Exploration Target that will be tested at Yunndaga is the depth extension of the Princess May Lode, displayed in Figure 3.

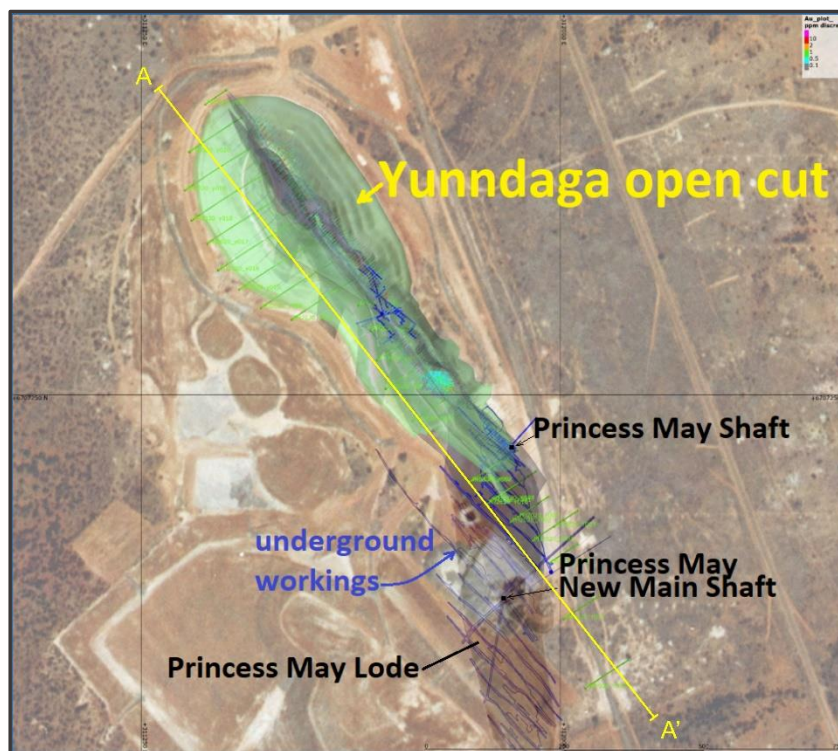


Figure 2: Plan view of Yunndaga open pit and underground workings superimposed over aerial photograph. Section A-A' highlights view in Figure 3.

Figure 3 shows the distribution of known resources (MRE estimate ASX announcement 14<sup>th</sup> February 2020) in relation to areas of historical underground mining and the area of the proposed drilling designed to test the Exploration Target. There is a large area which underwent historic underground mining below the Mineral Resource and above the Exploration Target identified as “Unknown” in Figure 3. There is potential for extensions along strike, parallel lodes or zones which were mineralised but not to sufficient

grade/width to warrant historical mining being conducted so Kingwest will conduct additional work and drilling if required to test this zone.

The Exploration Target area shown in Figure 3 will initially be tested with three drill holes.

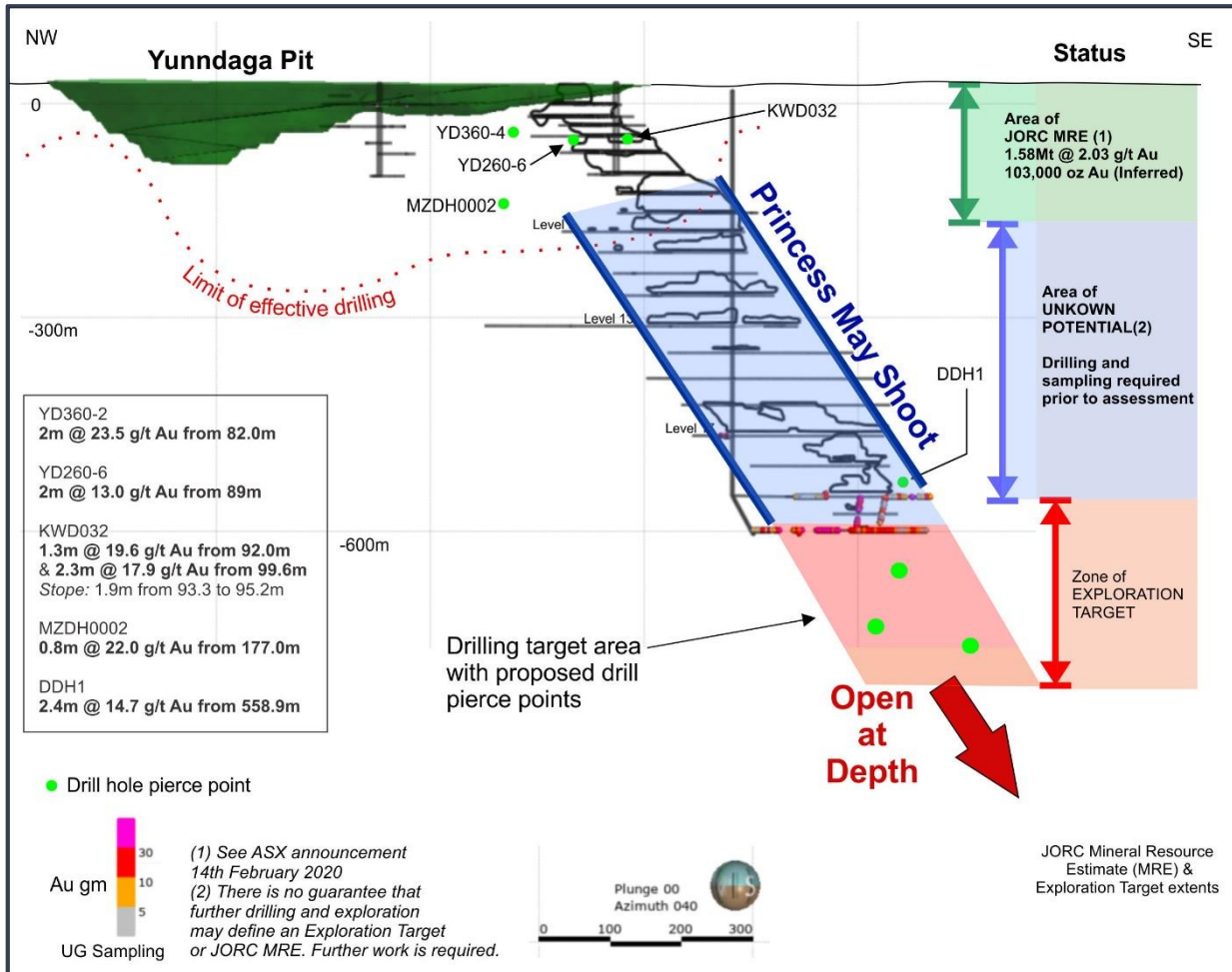


Figure 3: Long Section of Yundaga highlighting depth of current JORC MRE in relation to the area of Exploration Target and proposed drilling. The area below JORC MRE and above the Exploration Target has proven mineralisation as shown in DDH1.

The Princess May Extension Exploration Target\* is 194,000t - 388,800 tonnes at a grade of 10g/t Au - 16g/t Au.

\* Note: The quantities and grades stated for all Exploration Targets is conceptual in nature and there has been insufficient exploration to define Mineral Resources at these targets and it is uncertain if further exploration of these targets will produce results that permit Mineral Resources to be estimated.

This Exploration Target has been calculated using the following assumptions in accordance with the JORC Code (2012) as follows:

Length	180m	mid-range of 120m to 240m
Width	1-2m	proven range of thickness of lode within workings
Down Plunge Continuation	400m	third of the down-plunge distance that the lode was mined
Bulk Density	2.7t/m <sup>3</sup>	Same density as quartz which is main lode mineral
Grade Range	10-16g/t Au	16 g/t Au mean grade of historical production; 10g/t lower cut-off

Based upon these assumptions, the following calculations define the magnitude of the target:

*Volume range* = 180m x 1m x 400m up to 180m x 2m x 400m  
 = 72,000m<sup>3</sup> up to 144,000m<sup>3</sup>

*Tonnage range* = 72,000m<sup>3</sup> x 2.7t/m<sup>3</sup> up to 144,000m<sup>3</sup> x 2.7t/m<sup>3</sup>  
 = 194,400t up to 388,800t

## 2. Lady Shenton Lode Depth Extension

The most recent mining of the Lady Shenton Gold Deposit was 1996 to 1999 from the Lady Shenton Open Cut Mine. This pit mainly exploited the Falconer and Big Babe lodes; the continuation of the high-grade Lady Shenton Lode is west and south of the pit (Figure 4).

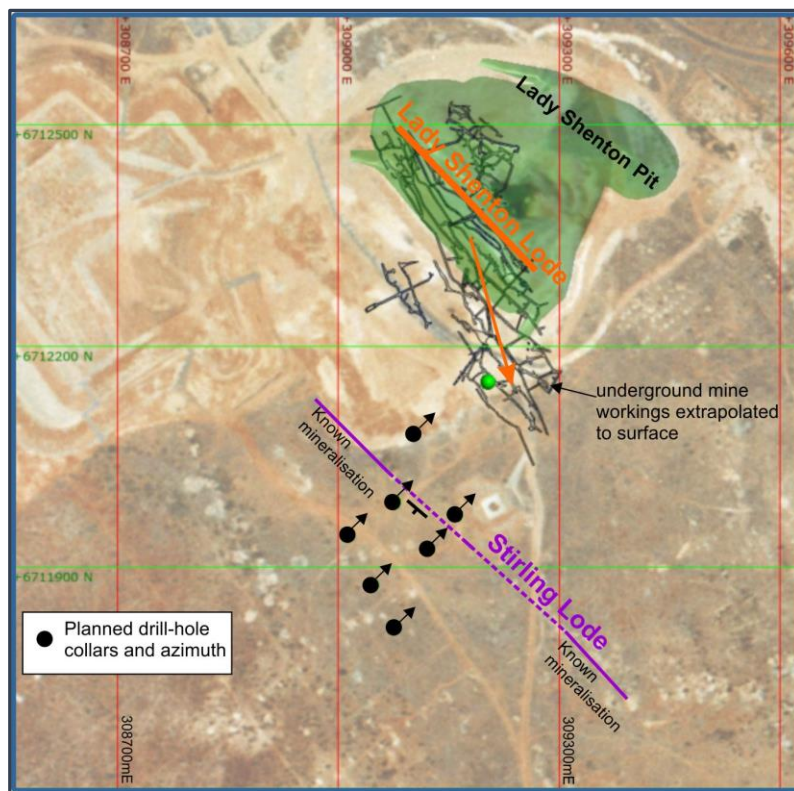


Figure 4: Plan view of Lady Shenton open pit extent, underground workings and mineralised lode orientations over aerial photograph. Proposed drill holes targeting Lady Shenton extensions shown.

The Lady Shenton underground mine was an important historical mine, operating from 1895-1905, 1906-1914, 1916-1923 & finally 1934-1939, with main production being from the Lady Shenton Lode but an important contribution from the Falconer Lode from about 1910-1914. The historical (1895 – 1939) production from the Lady Shenton Gold Deposit was 196,392t @ 32.3g/t Au for 204,756 oz Au\*

\*incorporating production from the adjacent Florence New Main Shaft and Alpha Shaft, which were on different leases but mined continuations of the Lady Shenton Lode beyond the Lady Shenton lease.

Mining reached a vertical depth of 218m and at that level high-grade mineralisation was present, as described in a previous announcement (High-Grade gold mineralisation open at depth continue at Menzies Gold Project 12/02/2020). As was the case at the Princess May mine, mining ceased because of operational difficulties and the presence of ore at the lowest level of the workings suggests that the gold mineralisation is present below the workings and extends deeper. This potential is confirmed by Kingwest’s drilling results, with KWD027 intersecting 1.5m @ 14.3g/t Au from 292.1m, including 0.3m @ 71.3g/t Au and is more than 50m deeper than the deepest level of the Lady Shenton Gold Mine.

The downward continuation of the Lady Shenton Lode is an important Exploration Target (Figure 5).

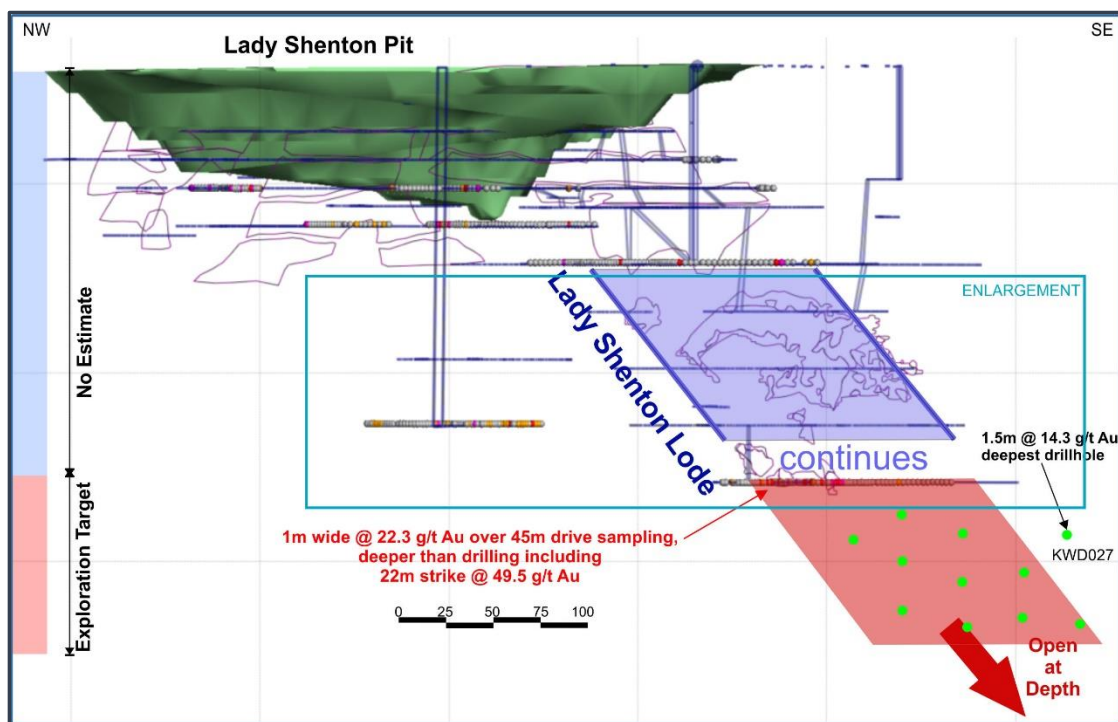


Figure 5: Long Section of Lady Shenton showing the depth of open pit mining, extensive historical workings and the lode extent (blue) which continues into the area defined by the Exploration Target (red). Proposed drill hole pierce points are shown in green.

**The Lady Shenton Extension Exploration Target\* is 121,500t - 182,250t at a grade of 16g/t Au - 32g/t Au**

\* Note: The quantities and grades stated for all Exploration Targets is conceptual in nature and there has been insufficient exploration to define Mineral Resources at these targets and it is uncertain if further exploration of these targets will produce results that permit Mineral Resources to be estimated.

This Exploration Target has been calculated using the following assumptions, in accordance with the JORC Code (2012), as follows:

Length	150m	mid-range of 100m to 300m
Width	1-1.2m	proven range of thickness of lode within workings
Down Plunge Continuation	300m	Reaching similar depth to other MGP lodes
Bulk Density	2.7t/m <sup>3</sup>	Same density as quartz which is main lode mineral
Grade Range	16-32g/t Au	32 g/t Au mean grade of historical production

Based upon these assumptions, the following calculations define the magnitude of the target:

*Volume range* = 150m x 1m x 300m up to 150m x 1.5m x 300m  
= 45,000m<sup>3</sup> up to 67,500m<sup>3</sup>

*Tonnage range* = 45,000m<sup>3</sup> x 2.7t/m<sup>3</sup> up to 67,500m<sup>3</sup> x 2.7t/m<sup>3</sup>  
= 121,500t up to 182,250t

This Exploration Target will be tested through completion of drill-holes, as shown in Figure 5.

### 3. First Hit

The most recent mining of the First Hit Gold Deposit was 1996 to 1997 from open cut mining. The source of production was the Crusoe lodes, First Hit lodes and Wedderburn (Queensland Menzies) lodes.

The First Hit lodes were historically mined from underground workings, with a production from 1929 to 1948 of 71,269t @ 23.4g/t Au for 53,748 oz Au and these lodes are open at depth and not drill tested. These First Hit lodes sit within the First Hit System which has historic underground production from all of its lodes (including Crusoe, First Hit and Wedderburn) of 165,000t @ 32g/t Au for 171,000 oz Au<sup>1</sup>.

Prior to excavation of the open-cut mine, the presence of a large tailings dump and other features restricted access and resulted in there being no drilling to test the downward continuation of the First Hit lodes. The tailings have since been moved and access is possible for underground targeting.

The downward continuation of the First Hit lodes is an important Exploration Target (Figures 6 and 7).

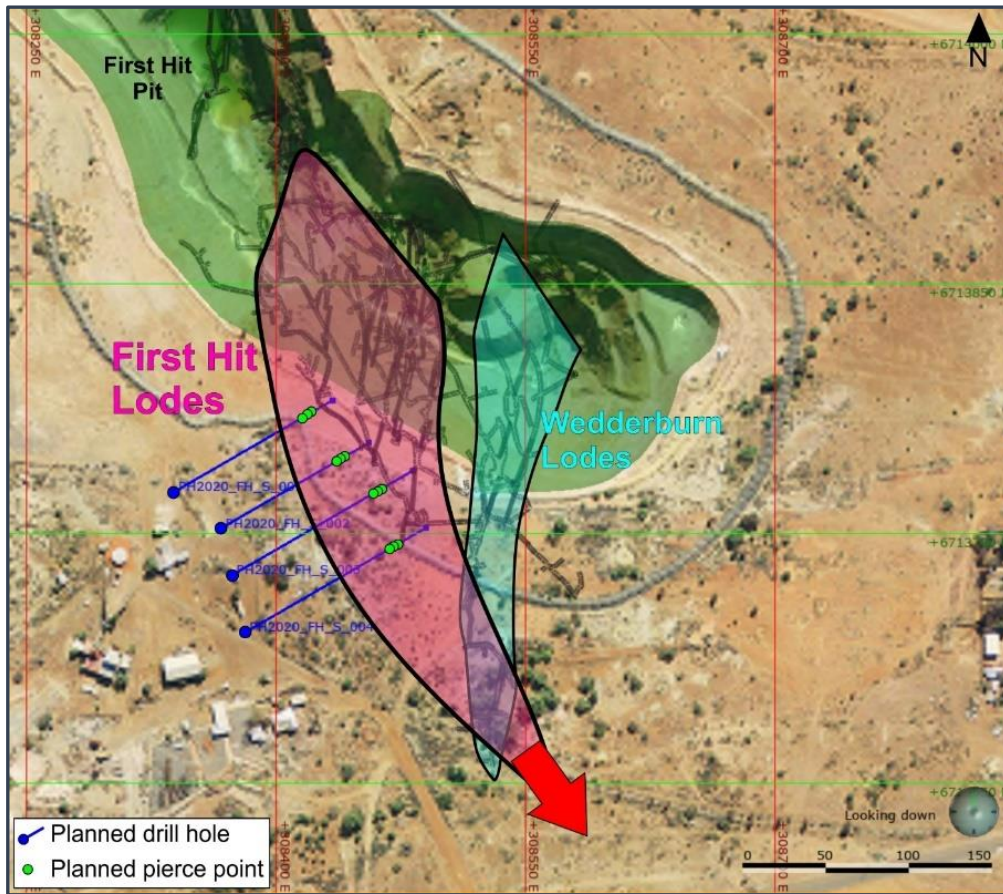


Figure 6: Plan view of First Hit open pit and lode extensions in relation to proposed drilling.

Grades from First Hit underground production were similar (very high-grade) to those of Lady Shenton. There is no current JORC MRE or Exploration Target above the depth extension targeted in current drilling (Figure 7) and this is similar to Lady Shenton.



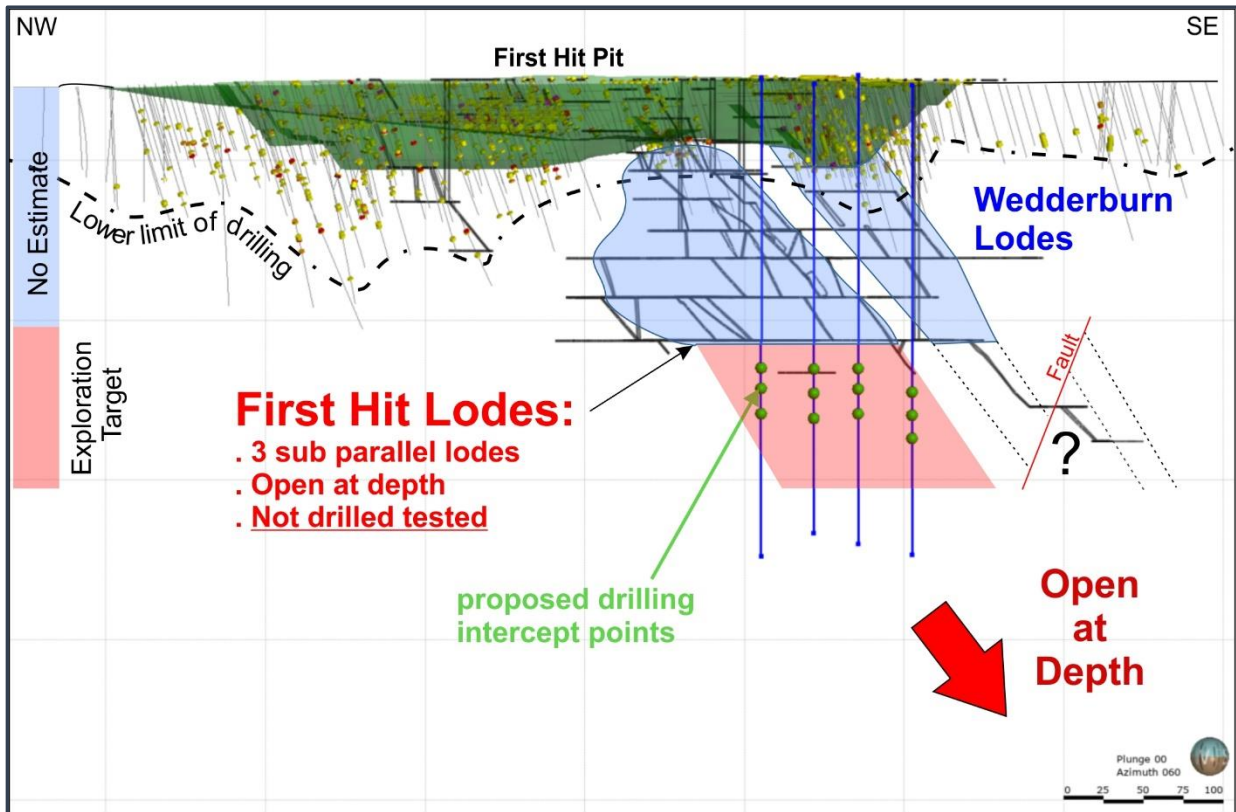


Figure 7: First Hit Long Section showing the setting of First Hit (3 lodes) in sub-parallel and Wedderburn lodes behind. Proposed drill hole pierce points for three lodes shown.

The First Hit Extension Exploration Target is Exploration Target in accordance with the JORC Code (2012), of 64,800t to 97,200t at a grade of 16g/t Au to 32g/t Au

This Exploration Target has been calculated using the following assumptions in accordance with the JORC Code (2012) as follows:

Length	270m	90m per lode (3 lodes)
Width	1-2m	proven range of thickness of lodes within workings
Down Plunge Continuation	100m	50% beyond mining range to date
Bulk Density	2.7t/m <sup>3</sup>	Same density as quartz which is main lode mineral
Grade Range	16-32g/t Au	32 g/t Au mean grade of historical UG production

Based upon these assumptions, the following calculations define the magnitude of the target:

*Volume range* = 90m x 1m x 100m x 3 up to 90m x 2m x 100m x 3 = 27,000m<sup>3</sup> up to 54,000m<sup>3</sup>

*Tonnage range* = 27,000m<sup>3</sup> x 2.7t/m<sup>3</sup> up to 54,000m<sup>3</sup> x 2.7t/m<sup>3</sup> = 72,900t up to 145,800t

This Exploration Target will be tested through completion of drill-holes, as shown in Figure 5.

Note: The quantities and grades stated for all Exploration Targets is conceptual in nature and there has been insufficient exploration to define Mineral Resources at these targets and it is uncertain if further exploration of these targets will produce results that permit Mineral Resources to be estimated.

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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 and the stated Exploration Targets 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.*

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

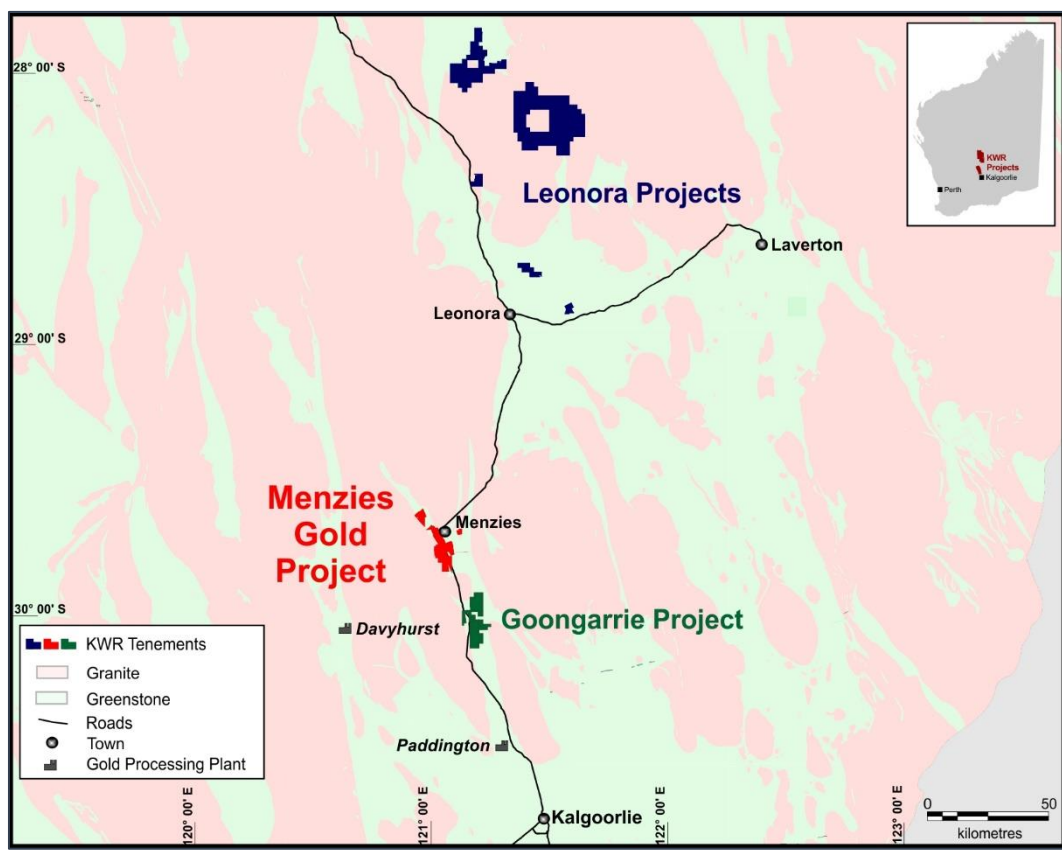
**ABOUT THE MGP**

Menzies is one of Western Australia’s major historic gold fields. Located 130km north of the globally significant gold deposits of Kalgoorlie (Figure 8).

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<sup>1</sup>** from underground (U/G) between 1895 and 1943 plus **145,000 oz @ 2.6g/t Au<sup>1</sup>** open cut between 1995 and 1999, for a total of **787,200 oz @ 18.9g/t Au<sup>1</sup>**.

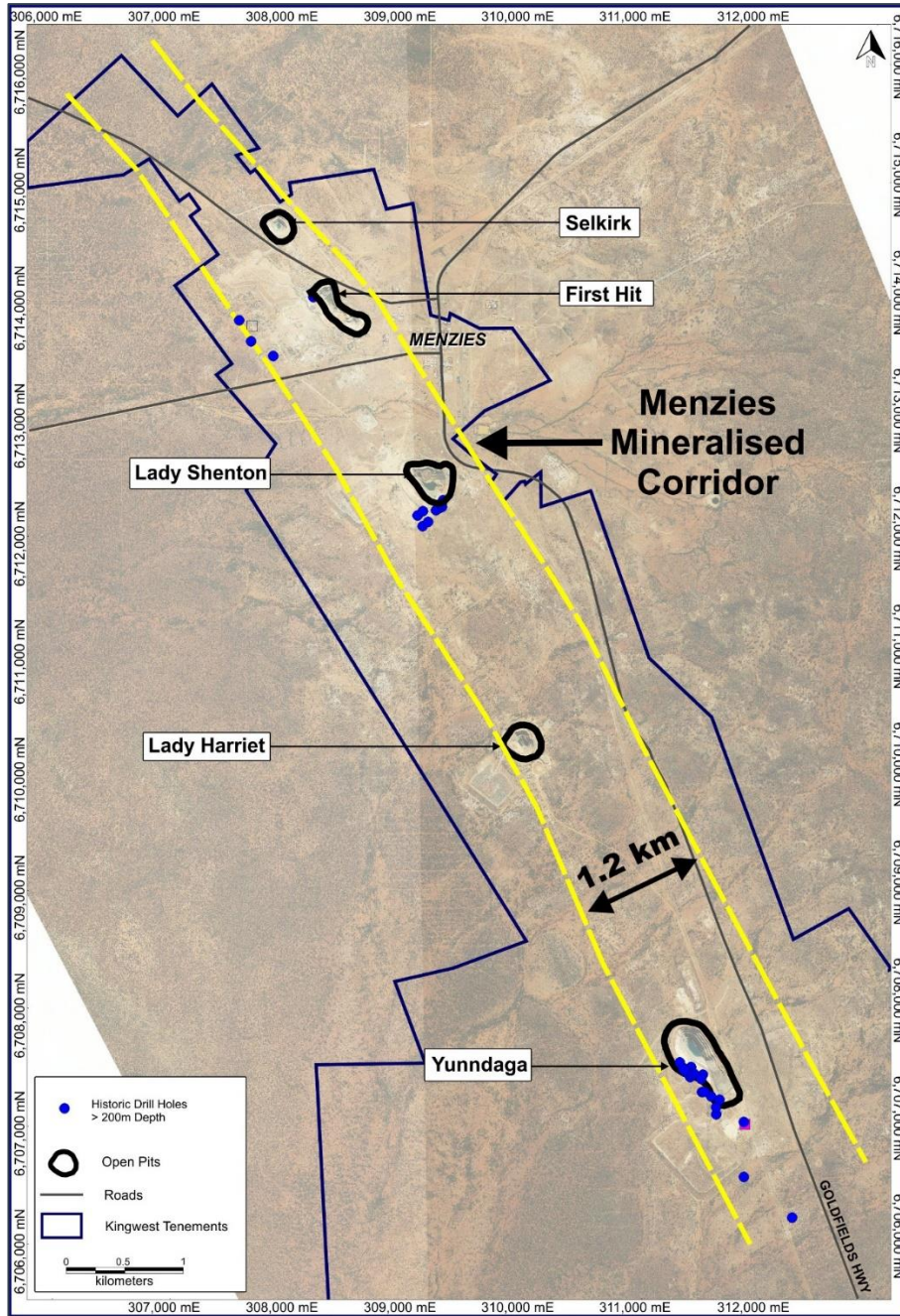


**Figure 8: MGP location**

**References to ASX Releases**

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

**Appendix 1:** Kingwest tenure at MGP in relation to open pit mines and mineralisation corridor shown in Figure 1.



**Appendix 2: JORC Mineral Resource Estimates (ASX announcement 14<sup>th</sup> February 2020)**

<b>MENZIES PROJECT</b>									
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)									
Yundaga Shallow				1.58	2.03	103,000	1.58	2.03	103,000
Pericles	0.63	1.80	35,800	0.78	1.70	43,700	1.40	1.80	79,500
Bellenger	0.24	2.63	19,900				0.24	2.63	19,900
Warrior				0.07	2.49	5,910	0.07	2.49	5,910
Lady Shenton Deeps	not yet estimated *								
Yundaga Deeps	not yet estimated *								
Lady Shenton Shallow	not yet estimated *								
Stirling	not yet estimated *								
First Hit	not yet estimated *								
Selkirk	not yet estimated *								
Lady Irene	not yet estimated *								
Aspacia	not yet estimated *								
<b>TOTAL</b>	<b>0.87</b>	<b>1.98</b>	<b>55,700</b>	<b>2.43</b>	<b>1.95</b>	<b>152,610</b>	<b>3.29</b>	<b>1.96</b>	<b>208,300</b>

\* There is no guarantee that a JORC resource will be estimated for these projects

<b>GOONGARRIE PROJECT</b>									
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)									
Goongarrie Lady	0.20	3.30	21,321	0.07	1.64	3,707	0.27	2.86	25,028
<b>TOTAL</b>	<b>0.20</b>	<b>3.30</b>	<b>21,321</b>	<b>0.07</b>	<b>1.64</b>	<b>3,707</b>	<b>0.27</b>	<b>2.86</b>	<b>25,028</b>

<b>TOTAL MENZIES AND GOONGARRIE PROJECTS</b>									
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)									
Menzies	0.87	1.98	55,700	2.43	1.95	152,610	3.29	1.96	208,300
Goongarrie	0.20	3.30	21,321	0.07	1.64	3,707	0.27	2.86	25,028
<b>TOTAL</b>	<b>1.07</b>	<b>2.23</b>	<b>77,021</b>	<b>2.50</b>	<b>1.95</b>	<b>156,317</b>	<b>3.56</b>	<b>2.03</b>	<b>233,328</b>