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Kingwest Resources Ltd

ASX: KWR

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Highest grades yet returned at Menzies Gold Project

- **3m @ 158.4 g/t Au** from 180m (**inc. 2m @ 237.5 g/t Au** from 180m) in KWR023 below underground workings at First Hit
- **5m @ 13.1 g/t Au** from 32m (**inc. 1m @ 58.6 g/t Au** from 32m) in KWR009
- **3m @ 7.2 g/t Au** from 47m (**inc. 1m @ 13.4 g/t Au** from 47m) in KWR005
- **New lode discovered – west of Stirling lode within Lady Shenton System**
- **RC pre-collar results received, and diamond drilling continues**

Kingwest Resources Ltd (ASX: KWR) (“Kingwest” or “the Company”) is pleased to announce it has received all results from the Reverse Circulation pre-collar and shallow target drilling at the Menzies Gold Project (MGP) and that results have returned the highest grade intersections since acquisition of the project by KWR in September 2019. These support historical production figures and grades. Diamond drilling for deeper high-grade targets has now started and is ongoing.

Ed Turner, CEO, commented that:

“These results are very pleasing and ratify our belief that the high-grade ore zones continue at First Hit and Lady Shenton and throughout the MGP. We were expecting something exceptional if we drilled enough holes in the right areas and 3m @ 158.4 g/t Au is hard to beat, and it is within one of our high-grade Exploration Targets that we announced only last month. The preliminary diamond drilling campaign in late 2019, detailed reinterpretation of the geology and detailed airborne geophysical surveying has allowed us to better define controls of high-grade mineralisation at Menzies.”

At the First Hit Gold Deposit continuation of the high-grade gold mineralisation historically exploited from the First Hit underground mine was shallow enough for RC drilling to test depth extents efficiently in this program. Historically, the underground workings at the First Hit Gold Deposit collectively produced 164,138 ounces of gold at an extraordinary 32.5 g/t gold.

The KWR drilling has now proven that high grade gold continues beneath the historic workings and diamond drilling is underway at Lady Shenton and will then move to Yunndaga, both large, historically high-grade producers. Our aim to test for the potential to delineate similar resources should be very exciting for our shareholders.”



Since drilling commenced this year (ASX release 4 March 2020), 14 RC pre-collars and 10 RC drill-holes, which will not have diamond core tails, were completed for 3,402 metres. These focussed on three Exploration Target areas (ASX announcement 27 March 2020) within the MGP (Figure 1). These are First Hit, Lady Shenton and Yunnadaga. Historical production from these deposits in underground operations (all completed prior to 1948) was 164k oz Au @ 32.5 g/t, 191k oz Au @ 32.3 g/t and 270koz Au @ 16 g/t respectively (ASX releases 10 September 2019 and 11 March 2020).

Diamond core extensions to the 14 pre-collars are now being drilled. These holes focus on two of the Exploration Targets within the MGP (Lady Shenton and Yunnadaga). The third Target (First Hit) was tested with RC drill-holes only. The diamond core program is anticipated to be completed in 6-7 weeks.

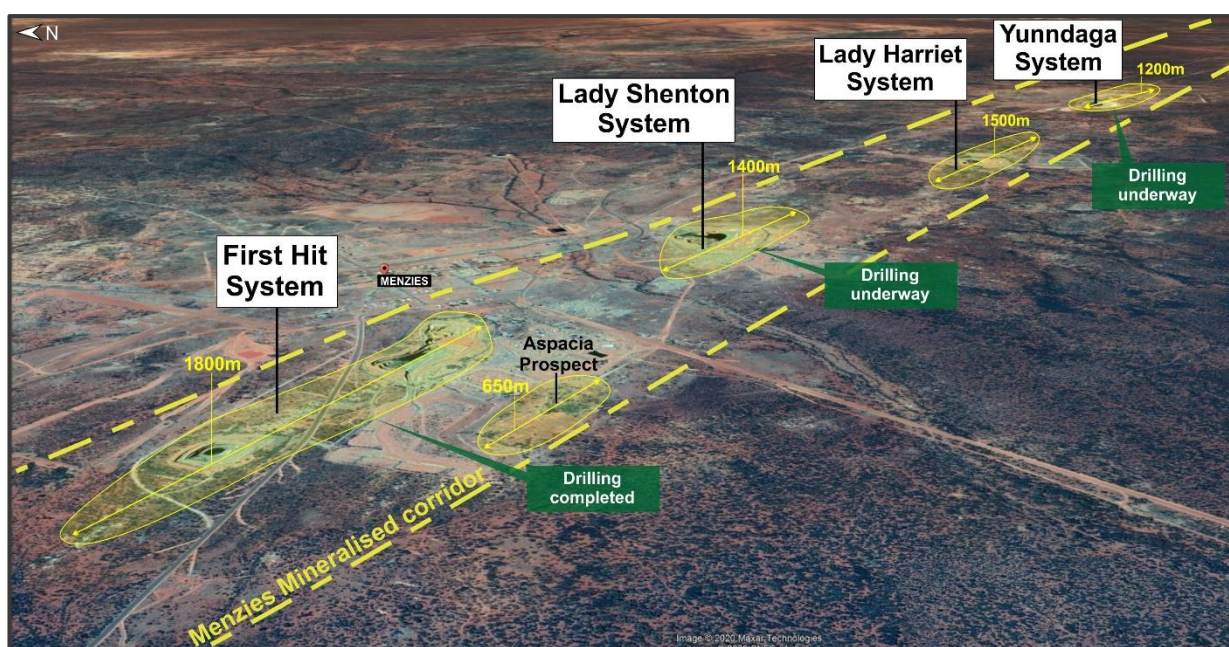


Figure 1: MGP main mineralised systems and planned drilling locations for the current programme.

DISCUSSION OF RESULTS

The results to date from the 2020 RC drilling again confirm the high-grade nature of the mineralisation at MGP. A full list of significant intersections is included in Table 1 and drill hole details in Table 2.

Lady Shenton

Drilling success at Lady Shenton was above expectations as these holes were not targeting shallow lodes specifically although several pre-collars at **Lady Shenton** were expected to cross through the position of the interpreted Stirling Lode. The potential of the Stirling Lode was based on results from KWR drilling in 2019, with KWD027 intersecting **2.9m @ 5.84 g/t Au** from 52.10m including **0.3m @ 45.8 g/t Au** from 52.1m. Recently completed drilling has confirmed the potential of the Stirling Lode, with KWR009 intersecting **5m @ 13.1 g/t Au** from 32m including **1m @ 58.6 g/t Au from 32m** and KWR003 intersecting **1m @ 9.4 g/t Au** from 44m.



The high-grade intersections in KWR005 and KWR010 appear to have discovered another new lode further to the west of the Stirling lode and once again highlight the excellent exploration potential within the MGP outside of the main Exploration Targets associated with known historic producers. These new intersections include: **3m @ 7.2 g/t Au** from 47m in KWR005 including **1m @ 13.4 g/t Au** from 47m and **2m @ 6.5 g/t Au** from 74m including **1m @ 9.5 g/t Au** from 74m in KWR010 (Figure 2).

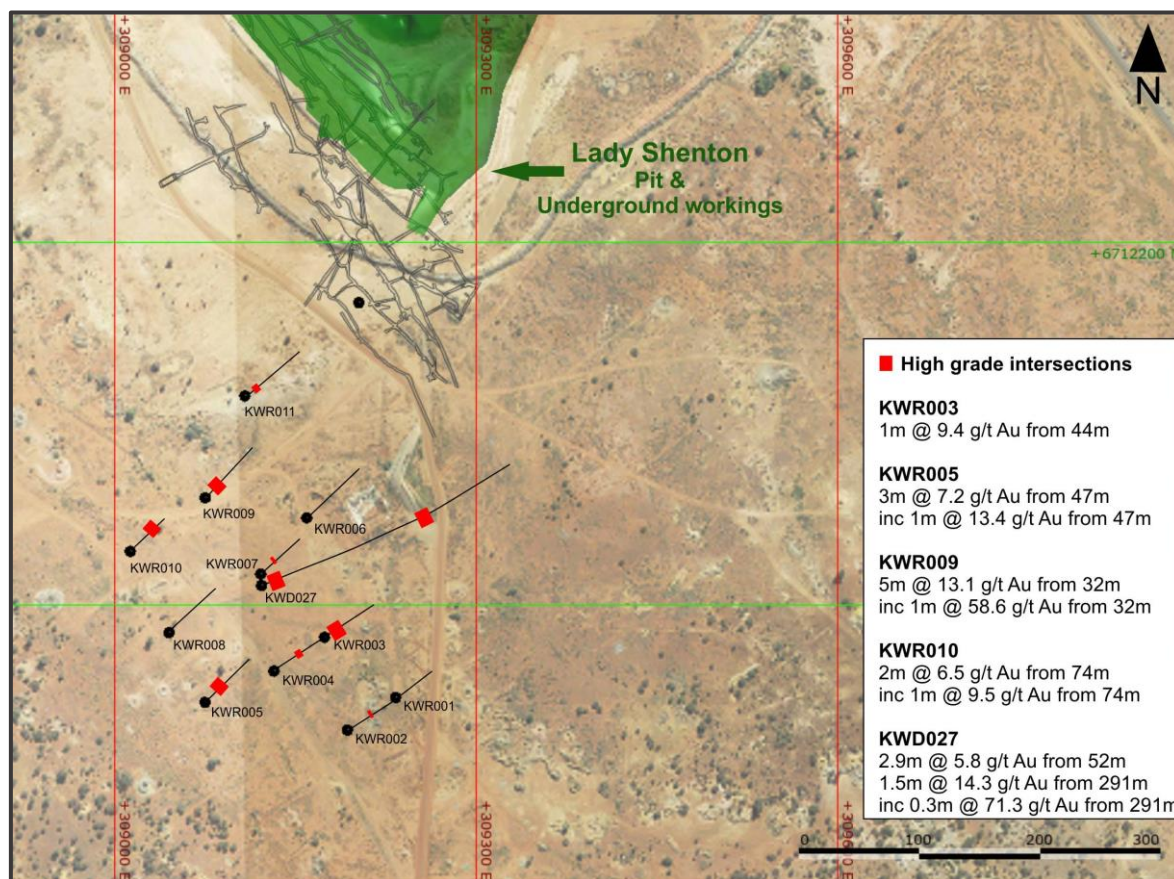


Figure 2: Drill hole traces at Lady Shenton with significant intersections.

The Company is excited by the discovery of the new lode which is sub-parallel to the lodes which hosts the proven, high-grade Lady Shenton deposit.

First Hit

At **First Hit** the four RC holes completed (KWR021 – 024) are the first holes to be drilled beneath the historical First Hit underground workings and results included **3m @ 158.4 g/t Au (including 2m @ 237.5 g/t Au)** from 180m in KWR023 (Figure 3). These extremely high grades prove the potential here for further depth extensions. These results will be reviewed in order to plan the most appropriate follow up drilling. There is no diamond core drilling planned here in the current program.

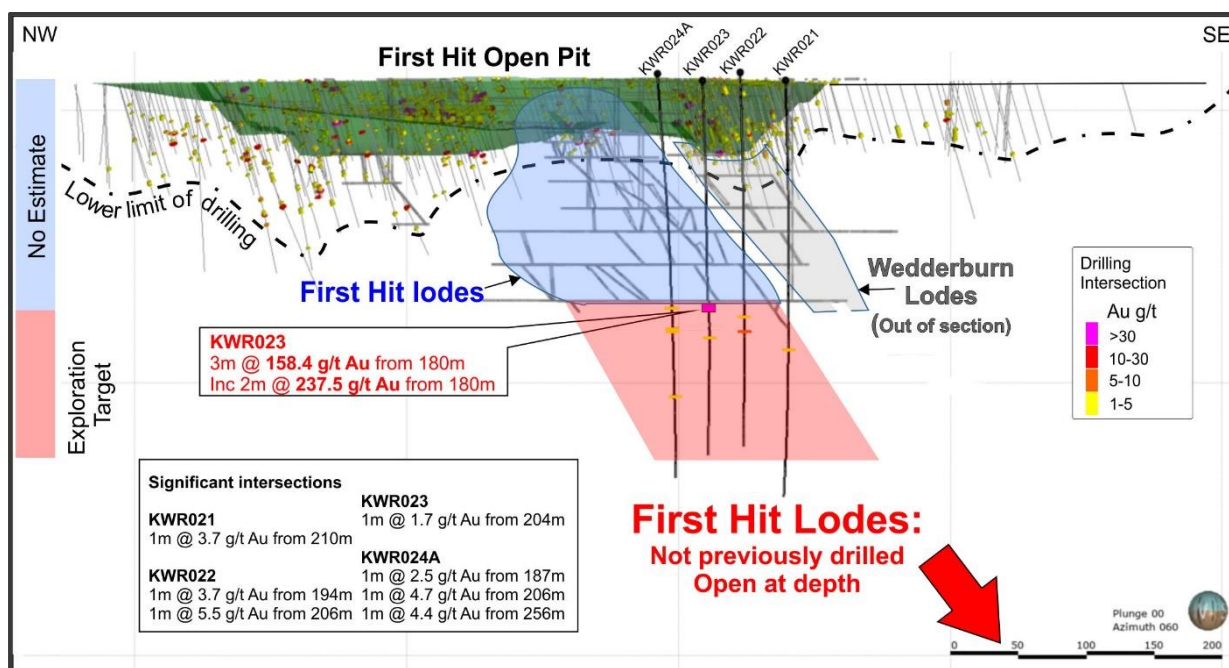


Figure 3: First Hit long section showing drill intersection points.

Yundaga

All of the holes completed at Yundaga are pre-collars except for KWR012 and 013 which were testing for southern extensions to known mineralisation closer to surface and therefore significant mineralisation was not expected in all but these holes.

Table 1: Significant intersections (>1.0 g/t Au over 1.0m).

Hole ID	From	To	Interval	Au g/t	Description
KWR001	32	34	2	1.0	2m @ 1.0 g/t Au from 32m
KWR002	63	66	3	1.1	3m @ 1.1 g/t Au from 63m
KWR002	90	92	2	2.1	2m @ 2.1 g/t Au from 90m
KWR003	43	49	6	2.0	6m @ 2.0 g/t Au from 43m
KWR003	44	45	1	9.4	Inc. 1m @ 9.4 g/t Au from 44m
KWR004	67	70	3	1.2	3m @ 1.2 g/t Au from 67m
KWR005	47	50	3	7.2	3m @ 7.2 g/t Au from 47m
KWR005	47	48	1	13.4	Inc. 1m @ 13.4 g/t Au from 47m
KWR005	74	76	2	1.2	2m @ 1.2 g/t Au from 74m
KWR006	7	8	1	1.5	1m @ 1.5 g/t Au from 7m
KWR006	67	68	1	1.1	1m @ 1.1 g/t Au from 67m
KWR007	71	73	2	1.1	2m @ 1.1 g/t Au from 71m
KWR007	79	80	1	4.0	1m @ 4.0 g/t Au from 79m
KWR008	102	103	1	1.0	1m @ 1.0 g/t Au from 102m
KWR009	32	37	5	13.1	5m @ 13.1 g/t Au from 32m
KWR009	32	33	1	58.6	Inc. 1m @ 58.6 g/t Au from 32m



Hole ID	From	To	Interval	Au g/t	Description
KWR009	42	44	2	1.8	2m @ 1.8 g/t Au from 42m
KWR010	40	41	1	1.6	1m @ 1.6 g/t Au from 40m
KWR010	67	69	2	2.6	2m @ 2.6 g/t Au from 67m
KWR010	74	76	2	6.5	2m @ 6.5 g/t Au from 74m
KWR010	74	75	1	9.5	Inc. 1m @ 9.5 g/t Au from 74m
KWR010	74	79	5	2.9	5m @ 2.9 g/t Au from 74m
KWR011	24	25	1	2.3	1m @ 2.4 g/t Au from 24m
KWR013	92	97	5	1.3	5m @ 1.3 g/t Au from 92m
KWR016	74	75	1	1.2	1m @ 1.2 g/t Au from 74m
KWR021	210	212	2	2.0	2m @ 2.0 g/t Au from 210m
KWR022	194	196	2	2.2	2m @ 2.2 g/t Au from 194m
KWR022	206	208	2	2.9	2m @ 2.9 g/t Au from 206m
KWR023	180	183	3	158.4	3m @ 158.4 g/t Au from 180m
KWR023	180	182	2	237.5	Inc. 2m @ 237.5 g/t Au from 180m
KWR023	204	205	1	1.7	1m @ 1.7 g/t Au from 204m
KWR024A	187	188	1	2.5	1m @ 2.5 g/t Au from 187m
KWR024A	204	207	3	2.3	3m @ 2.3 g/t Au from 204m
KWR024A	256	258	2	2.7	2m @ 2.7 g/t Au from 256m

Table 2: 2020 Completed and planned drill hole details.

Prospect	Drillhole ID	Easting	Northing	Elevation (m RL)	Dip	Azimuth	Completed depth (m RC)	Planned Final Depth (m)	Comments
Lady Shenton	KWR001	309233	6711823	427	60	55	74	75	completed
Lady Shenton	KWR002	309193	6711796	425	60	55	122	120	completed
Lady Shenton	KWR003	309174	6711873	427	60	55	100	75	completed
Lady Shenton	KWR004	309132	6711845	426	60	55	118	120	completed
Lady Shenton	KWR005	309075	6711819	424	60	45	98	450	RC Pre collar only completed
Lady Shenton	KWR006	309159	6711972	426	60	45	124	400	RC Pre collar only completed
Lady Shenton	KWR007	309121	6711926	429	67	45	124	450	RC Pre collar only completed
Lady Shenton	KWR008	309045	6711877	423	65	45	124	470	RC Pre collar only completed
Lady Shenton	KWR009	309075	6711989	427	60	45	124	400	RC Pre collar only completed



Prospect	Drillhole ID	Easting	Northing	Elevation (m RL)	Dip	Azimuth	Completed depth (m RC)	Planned Final Depth (m)	Comments
Lady Shenton	KWR010	309013	6711944	426	60	45	82	440	RC Pre collar only completed
Lady Shenton	KWR011	309108	6712073	426	60	50	124	350	RC Pre collar only completed
Yunndaga	KWR012	311950	6706988	408	-60	55	130	130	completed
Yunndaga	KWR013	311923	6707030	413	-60	55	136	130	completed
Yunndaga	KWR014	311725	6706285	412	-72	30	184	845	RC Pre collar only completed
Yunndaga	KWR015	311910	6707022	413	-70	55	100	150	RC Pre collar only completed
Yunndaga	KWR016	311880	6707061	407	-50	55	82	140	RC Pre collar only completed
Yunndaga	KWR017	311874	6707058	406	-60	55	88	160	RC Pre collar only completed
Yunndaga	KWR018	311868	6707054	406	-70	55	100	170	RC Pre collar only completed
Yunndaga	KWR019	311832	6707100	415	-55	50	64	170	RC Pre collar only completed
Yunndaga	KWR020	311832	6707100	414	-65	50	70	170	RC Pre collar only completed
First Hit	KWR021	308382	6713641	424	67	60	322	320	completed
First Hit	KWR022	308374	6713675	430	67	60	296	320	completed
First Hit	KWR023	308367	6713703	424	67	65	296	320	completed
First Hit	KWR024A	308339	6713725	429	65	70	320	320	completed

Sale of non-core exploration tenure

As KWR increases effort at the Menzies Gold Project and delivers strong results, it has sold some of its exploration tenure around Leonora including the Emperor Project (E37/1054, E37/1086, E37/1319, E37/1321 and E37/1322) and King of the West Project (E37/1253) for cash consideration of \$100,000. The Company has also disposed of the remaining tenement at the Emperor Project (E37/882) for \$250,000 with \$50,000 received as part payment and the balance due in late May 2020. The above tenements were acquired by Darlot Mining Pty Ltd, a wholly owned subsidiary of Red 5 Limited (ASX: RED).

-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 2020 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 and Mineral Resources 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 4).

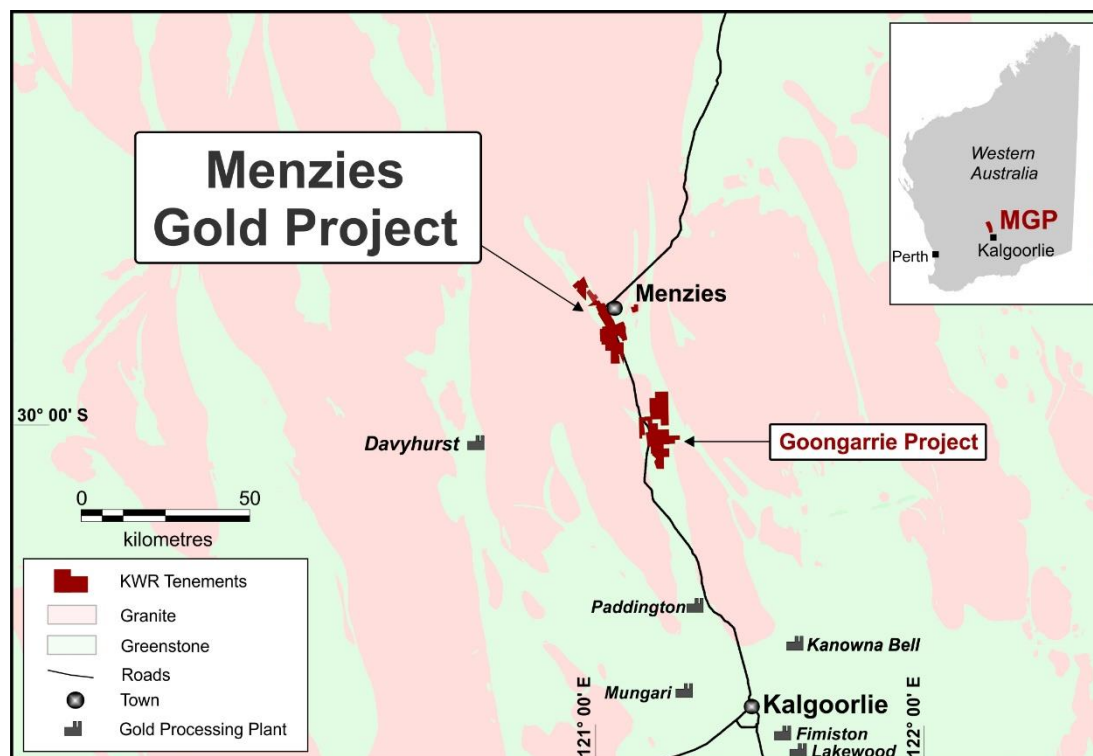


Figure 4: MGP location.

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 Au¹** from underground (U/G) between 1895 and 1943 plus **145,000 oz @ 2.6g/t Au¹** open cut between 1995 and 1999, for a total of **787,200 oz @ 18.9g/t¹ Au**.

Importantly the MGP lies only 130km north of Kalgoorlie on the Goldfields Highway, has power and water and is within trucking distance of numerous Gold Processing Plants.

References to ASX Releases

¹ 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"> 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. 	<ul style="list-style-type: none"> 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. The 2020 drilling reported here is all RC drilling. Industry standard RC and DD drilling and sampling protocols for lode and supergene gold deposits have been utilised throughout the campaign. 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. 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. 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. Magnetic Susceptibility readings were taken of DD core at 5m intervals, using a Fugro RT-1 Mag Sus instrument.
Drilling techniques	<ul style="list-style-type: none"> 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). 	<ul style="list-style-type: none"> 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. RC pre-collars used a 4 ¾ inch diameter face sampling hammer
Drill sample recovery	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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.



Criteria	JORC Code explanation	Commentary
		<ul style="list-style-type: none"> All DD core was measured for recovery, RQD and fracture intensity. Recovery was excellent at almost 100%. 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.
<p><i>Logging</i></p>	<ul style="list-style-type: none"> <i>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.</i> <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i> <i>The total length and percentage of the relevant intersections logged.</i> 	<ul style="list-style-type: none"> 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 Logging was recorded either on standard logging descriptive sheets or directly into Excel tables. Drill logs were compiled into an Access database. Logging is qualitative in nature. All core was photographed. 100% of all meterage's were geologically logged.
<p><i>Sub-sampling techniques and sample preparation</i></p>	<ul style="list-style-type: none"> <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i> <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> <i>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.</i> <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i> 	<ul style="list-style-type: none"> 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. 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. No duplicate 4m samples were taken for RC samples. 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. Sample preparation comprised industry standard oven drying, crushing, and pulverisation to less than 75 microns. Homogenised pulp material was used for assaying



Criteria	JORC Code explanation	Commentary
		<ul style="list-style-type: none"> • Samples volumes were typically 2.0-4.0 kg and are considered to be of suitable size for the style of mineralisation. • Blank samples were routinely dispatched to the laboratory to monitor sample preparation. These generally performed within acceptable tolerances. • Duplicate coarse reject samples have been submitted for assay to cross check assay repeatability. Results show variation typically of coarse grain “nuggety” gold deposits.
<p><i>Quality of assay data and laboratory tests</i></p>	<ul style="list-style-type: none"> • <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> • <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> • <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> 	<ul style="list-style-type: none"> • The 1m and 4m composite samples were assayed by Fire Assay (FA50) by SGS Laboratory in Kalgoorlie for gold. • Results from geophysical tools are not reported here. • 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. • 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
<p><i>Verification of sampling and assaying</i></p>	<ul style="list-style-type: none"> • <i>The verification of significant intersections by either independent or alternative company personnel.</i> • <i>The use of twinned holes.</i> • <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> • <i>Discuss any adjustment to assay data.</i> 	<ul style="list-style-type: none"> • Significant intersections were cross checked against core photos and drill logs after drilling. • Several twin holes are planned to verify historic drilling intersections. • Data storage is as PDF/XLS files which are then migrated into an Access database. • KWR is currently in the process of validating and cross-checking historical project data which will be migrated into a new project database. • No data was adjusted.
<p><i>Location of data points</i></p>	<ul style="list-style-type: none"> • <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> • <i>Specification of the grid system used.</i> • <i>Quality and adequacy of topographic control.</i> 	<ul style="list-style-type: none"> • 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. • The grid system used is MGA94 Zone 51. All reported coordinates are referenced to this



Criteria	JORC Code explanation	Commentary
		<p>grid. The topography was relatively flat.</p> <ul style="list-style-type: none"> • Topography is almost flat, small differences in elevation between drill holes will have little effect on mineralisation widths on initial interpretation.
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> • <i>Data spacing for reporting of Exploration Results.</i> • <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> • <i>Whether sample compositing has been applied.</i> 	<ul style="list-style-type: none"> • Holes are variably spaced ranging from 5 metres to 100m spacing. • No resource is reported here. The data spacing is appropriate for the reporting of exploration results. • There has been no sample compositing done.
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> • <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> • <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> 	<ul style="list-style-type: none"> • The relationship between the drilling orientation and the orientation of mineralised structures is not considered to have introduced a sampling bias. • No drilling orientation related sampling bias has been identified at the project.
<i>Sample security</i>	<ul style="list-style-type: none"> • <i>The measures taken to ensure sample security.</i> 	<ul style="list-style-type: none"> • 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.
<i>Audits or reviews</i>	<ul style="list-style-type: none"> • <i>The results of any audits or reviews of sampling techniques and data.</i> 	<ul style="list-style-type: none"> • No company or external audits of sampling techniques or data have been completed at the project to date.

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"> • <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> • <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> 	<ul style="list-style-type: none"> • All tenements are owned 100% by KWR. Original vendor retains a 1% NSR and the right to claw back a 70% interest in the event a single JORC compliant resource exceeding 500,000z is delineated for a fee three times expenditure. There is no native over the project area and no historical sites, wilderness or national parks. • The tenements are in good standing and no known impediments exist.



Criteria	JORC Code explanation	Commentary
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> Previous workers in the area include Pancontinental Mining, Rox Resources, Regal Resources, Goldfields, Heron Resources and Intermin Resources Limited (now Horizon Minerals). 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	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> Archaean quartz and shear hosted lode and supergene gold.
Drill hole Information	<ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> A summary of the material drill holes is tabulated in the main body of this report.
Data aggregation methods	<ul style="list-style-type: none"> 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. 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. 	<ul style="list-style-type: none"> 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</u> Au or higher. Maximum internal dilution of <u>2m@<1.0g/t</u> Au. As above. No metal equivalent calculations were applied.
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> 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, 	<ul style="list-style-type: none"> Mineralisation is generally west dipping at about 50 degrees. Drillholes are generally perpendicular to the main strike/dip of mineralisation with drillhole intersections close to true width of the mineralised lodes. Downhole widths reported in this announcement are believed to be



Criteria	JORC Code explanation	Commentary
	<i>true width not known’).</i>	generally close (80-100%) to the true width. Of note is that mineralisation widths from RC drilling results may potentially be overstated in some 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"> • <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> 	<ul style="list-style-type: none"> • Appropriate figures, tables, maps and sections are included with the report to illustrate the exploration results reported
<i>Balanced reporting</i>	<ul style="list-style-type: none"> • <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> 	<ul style="list-style-type: none"> • Results from all drill-holes in the program have been reported and their context discussed.
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> • <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> 	<ul style="list-style-type: none"> • No other exploration data is reported here.
<i>Further work</i>	<ul style="list-style-type: none"> • <i>The nature and scale of planned further work (eg. tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> • <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> 	<ul style="list-style-type: none"> • 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.