

Kingwest Resources Ltd

ASX: KWR

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ASX via Electronic Lodgement

Quarterly Report for the period ending 31 March 2020

Highlights

Historic Sample Data

- Assays from historic underground face-sampling in lower levels of Yunndaga and Lady Shenton Workings confirm very high-grade gold mineralisation remains open at depth, including:
- **31m @ 22.3 g/t Au** with average width of 2.1m; and **62m @ 20.4 g/t Au** with average width of 0.7m along Level 21 (Yunndaga) and **22m @ 49.5 g/t Au** from 18 channel samples from level 10 within **45m @ 22.3 g/t Au** from 37 channel samples (Lady Shenton).

Mineral Resource Estimates & Exploration Targets

- **Menzies Gold Project** near surface MRE's now totals **233,300 ounces** and **Menzies – Goongarrie combined** total MRE's now **258,336 ounces**.
- **Exploration Targets** developed including:
 - The Princess May Extension **Exploration Target** is **194,000t - 388,800 tonnes** at a grade of **10g/t Au - 16g/t Au**.
 - The Lady Shenton Extension **Exploration Target** is **121,500t - 182,250t** at a grade of **16g/t Au - 32g/t Au**.
 - The First Hit Extension **Exploration Target** is **64,800t to 97,200t** at a grade of **16g/t Au to 32g/t Au**.

Drill Results

- 14 RC pre-collars and 10 RC drill-holes, which will not have diamond core tails, were completed for 3,402 metres at the three target areas and include the following high-grade intersections:
- **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 Tenements Acquired

- 6km of prospective ground acquired 100% under Prospecting Licence Applications within the Menzies Mineralised Corridor



HISTORIC SAMPLE DATA

Historic assays for samples taken from the underground workings in 1924 have been located within the Department of Mines, Industry, Regulation and Safety (DMIRS) archives. These confirm that very high-grade mineralisation over mineable widths remain within the lowest levels of the Princess May Shoot at Yunndaga (levels 19, 20 and 21) which are approximately 600 vertical metres below surface at the deepest point (Figures 1 and 2). This reinforces KWR's belief that the potential for extending the known mineralised deposits, including Lady Shenton, with additional drilling beneath, and sometimes along strike, from the historic workings and proving up additional significant mineralisation is high. This supports KWR's geological and structural models.

Importantly, these results support KWR's belief that the Princess May Shoot was not "mined-out" and continues at depth, an opinion shared by government geologist M.A. Montgomery, stating "Present appearances are that below the No. 19 level the ore-shoot is improving in width, length and value..." (Montgomery, 1926, p101 in Report of Department of Mines 1926).

As the records are from the 1920s, when the mine was in operation, the measurements pre-date the metric system and conversion of the original assay results into metric units is required. As an example, Montgomery's statement of the high-grade nature of the Princess May Shoot at the deepest level of the mine is based upon "the No. 21 level for 458 feet in length gave an average assay value of 15.7 dwt of gold per standard ton over an average width of 41 inches..." (Montgomery, 1926, p101 in Report of Department of Mines 1926). These imperial measurements convert to 139.6m length, average thickness of 1.04m, average grade = 15.45 g/t Au.

The detailed historical information is invaluable. It not only supports but significantly aids the refining of KWR's geological model for the Yunndaga prospect in general but also the planning of additional drilling to test for extensions of the Princess May Shoot.

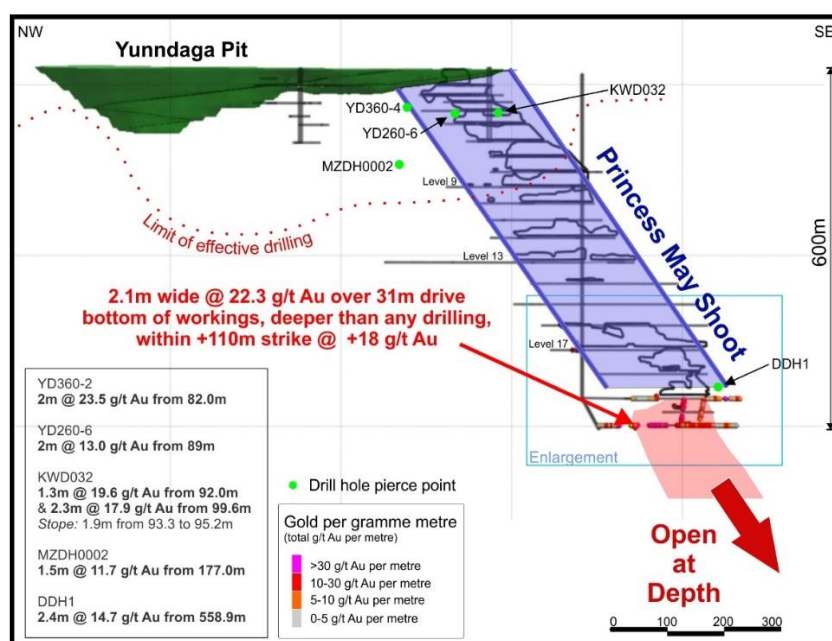


Figure 1: Long section of Yunndaga deposit showing the location of the Princess May Shoot, underground workings and historic underground sampling recorded as gram metres (sample width interval x g/t Au assay). Mineralisation is interpreted to continue at depth. DDH1 is the deepest drillhole at MGP and is located above the Level 19 sampling. Historic drill results in Figure 2 previously reported on 9 December 2019 (ASX:KWR).

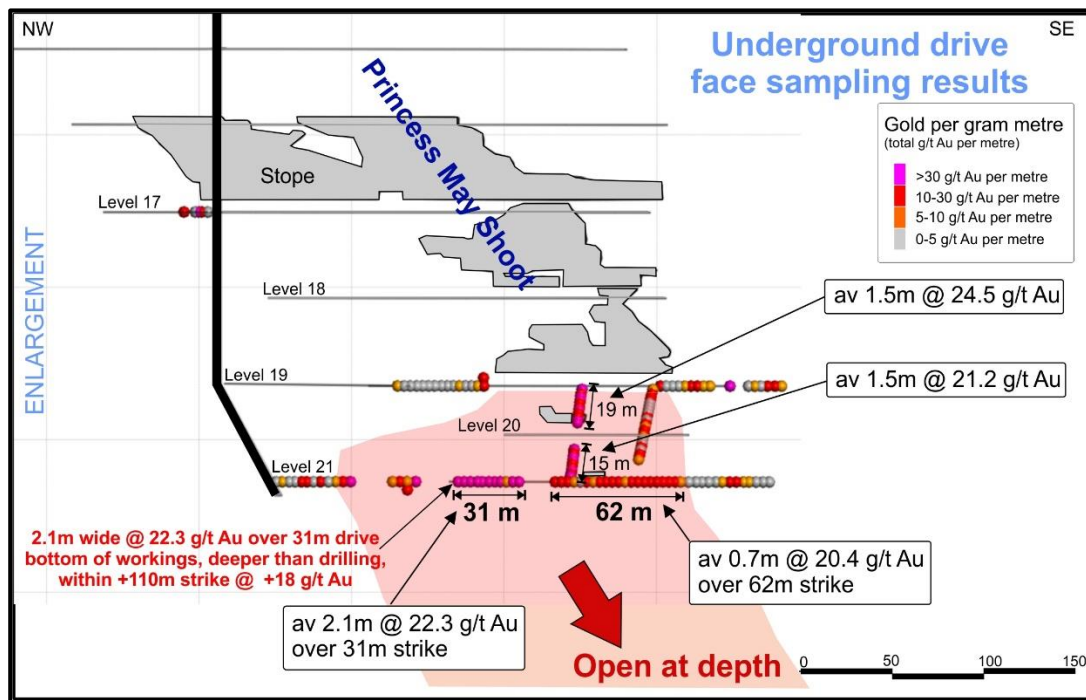


Figure 2: Location of underground sampling of the Princess May shoot as highlighted in the enlargement box in Figure 1.

The Lady Shenton Lode is comprised of several discrete shoots of high-grade gold mineralisation. These shoots plunge towards the south and have an irregular shape and thickness. The geometry and shape of the high-grade shoots, in combination with numerous cross-faults, resulted in the mining of the lode becoming increasingly challenging as the mine became deeper. However, high-grade mineralisation continued to be found and the mine was gradually deepened.

In 1938 the deepest level of the Lady Shenton mine was developed utilising the Alpha Shaft, with the intent of enabling mining to exploit the high-grade gold mineralisation. As the level was driven, channel samples were progressively collected from across the ore-zone (average width 1m) exposed in the face as the level was driven. Additional samples were collected from other levels, including the previously deepest level, Level 9 utilising Ray's Shaft. The sampling resulted in the discovery of substantial intervals of high-grade mineralisation, but the Lady Shenton Gold Mine ceased production in 1939 after very limited mining.

Within the deepest level of the Lady Shenton Gold Mine the best mineralisation was a 45m interval, from which 37 channel samples were collected, yielding an average grade of 22.3g/t Au. Sampling of a 21m section from Level 9 yielded an average grade (from 14 samples) of 8.5g/t Au (Figures 3 and 4).

The sampling is important because it confirms that at the time mining ceased, the Lady Shenton Gold Mine was "in-ore" and this suggests that mineralisation continues at depth below the deepest workings. The continuation at depth is further supported by KWR's drilling results, with KWD027 intersecting 1.5m @ 14.3g/t Au from 292.1m, including 0.3m @ 71.3g/t Au¹. This intersection is more than 40m deeper than the deepest level of the Lady Shenton Gold Mine.

It is reasonable to conclude that there are high-grade shoots of the Lady Shenton Lode that extend well beyond the depths tested by any drilling completed to-date.

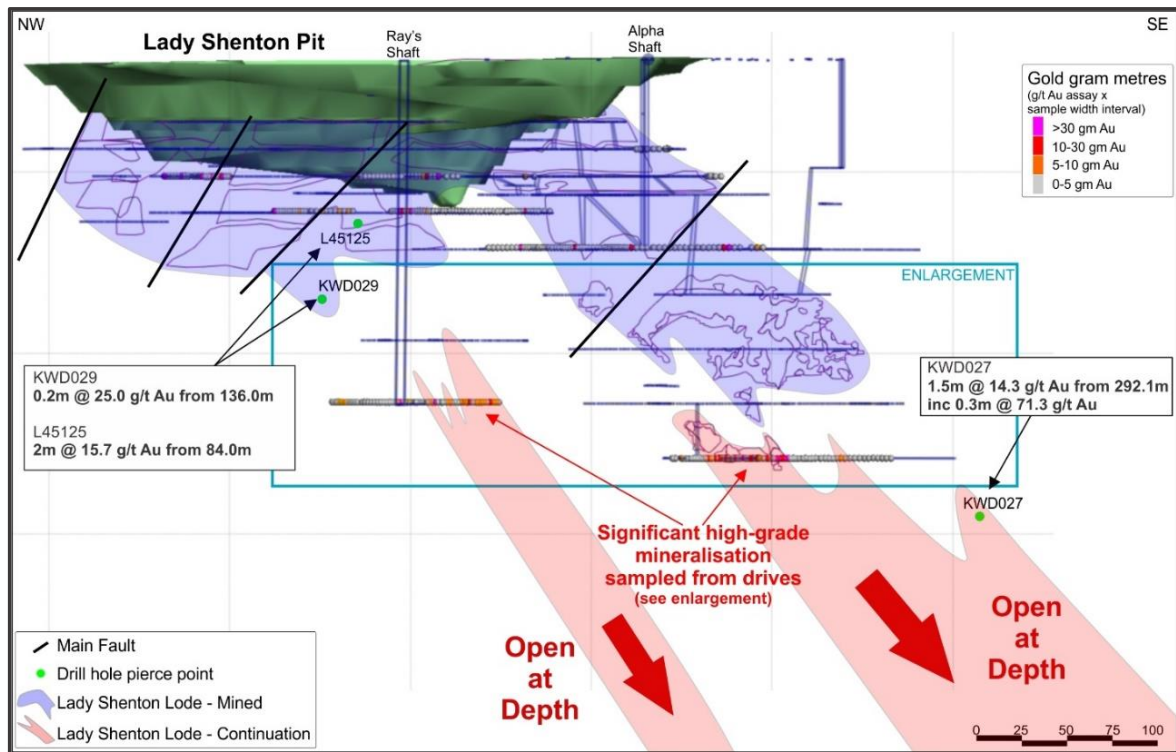


Figure 3: Long section of Lady Shenton deposit showing the location of the underground workings and historic underground sampling recorded as gram metres (g/t Au assay x sample width interval). Mineralisation is interpreted to continue at depth. KWD027 is the deepest drill-hole at Lady Shenton and is located below underground sampling.

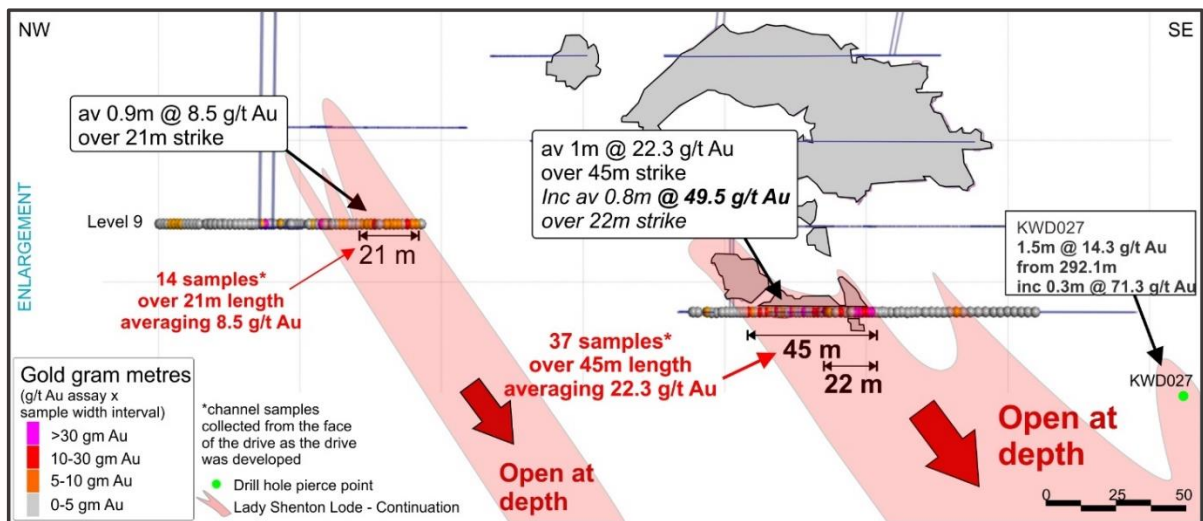


Figure 4: Location of underground sampling of the Lady Shenton shoot as highlighted in "Enlargement" box in Figure 4.



UPDATED MINERAL RESOURCE ESTIMATES (MRE)

The updated MRE for Pericles, Selkirk, Warrior and Lady Harriet-Bellenger add to the totals at Menzies and Goongarrie as follows in Table 1.

Table 1: Menzies and Goongarrie current MRE.

MENZIES PROJECT									
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
Lady Harriet-Bellenger	0.30	1.80	17,400	0.18	2.10	11,500	0.48	1.90	28,900
Selkirk				0.09	4.50	12,600	0.09	4.50	12,600
Warrior				0.13	2.30	9,300	0.13	2.30	9,300
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 *								
Lady Irene	not yet estimated *								
Aspacia	not yet estimated *								
TOTAL	0.93	1.77	53,200	2.75	2.03	180,100	3.67	1.97	233,300

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

GOONGARRIE PROJECT									
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
TOTAL	0.20	3.30	21,321	0.07	1.64	3,707	0.27	2.86	25,028
TOTAL MENZIES AND GOONGARRIE PROJECTS									
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	0.93	1.77	53,200	2.75	2.03	180,100	3.67	1.97	233,300
Goongarrie	0.20	3.30	21,321	0.07	1.64	3,707	0.27	2.86	25,028
TOTAL	1.13	2.04	74,521	2.85	2.00	183,807	3.94	2.03	258,336



EXPLORATION TARGETS DEVELOPED

Yunndaga (Princess May) Depth Extension

The initial mining operations at Yunndaga, from 1896-1926 and then 1934-1936, exploited the Princess May Lode (Figure 1) 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.

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 ³	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
= 72,000m³ up to 144,000m³

Tonnage range = 72,000m³ x 2.7t/m³ up to 144,000m³ x 2.7t/m³
= 194,400t up to 388,800t

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.

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.

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 ³	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
= 45,000m³ up to 67,500m³

Tonnage range = 45,000m³ x 2.7t/m³ up to 67,500m³ x 2.7t/m³
= 121,500t up to 182,250t

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 Au¹.

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.



Grades from First Hit underground production were similar (very high-grade) to those of Lady Shenton.

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 ³	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 = 27,000m³ up to 54,000m³

Tonnage range = 27,000m³ x 2.7t/m³ up to 54,000m³ x 2.7t/m³ = 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.

DRILL RESULTS: HIGHEST GRADE GOLD INTERSECTIONS YET RECEIVED IN RC DRILLING

Since drilling commenced this year, 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 5). These are First Hit, Lady Shenton and Yunndaga. 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 Yunndaga). The third Target (First Hit) was tested with RC drill-holes only.

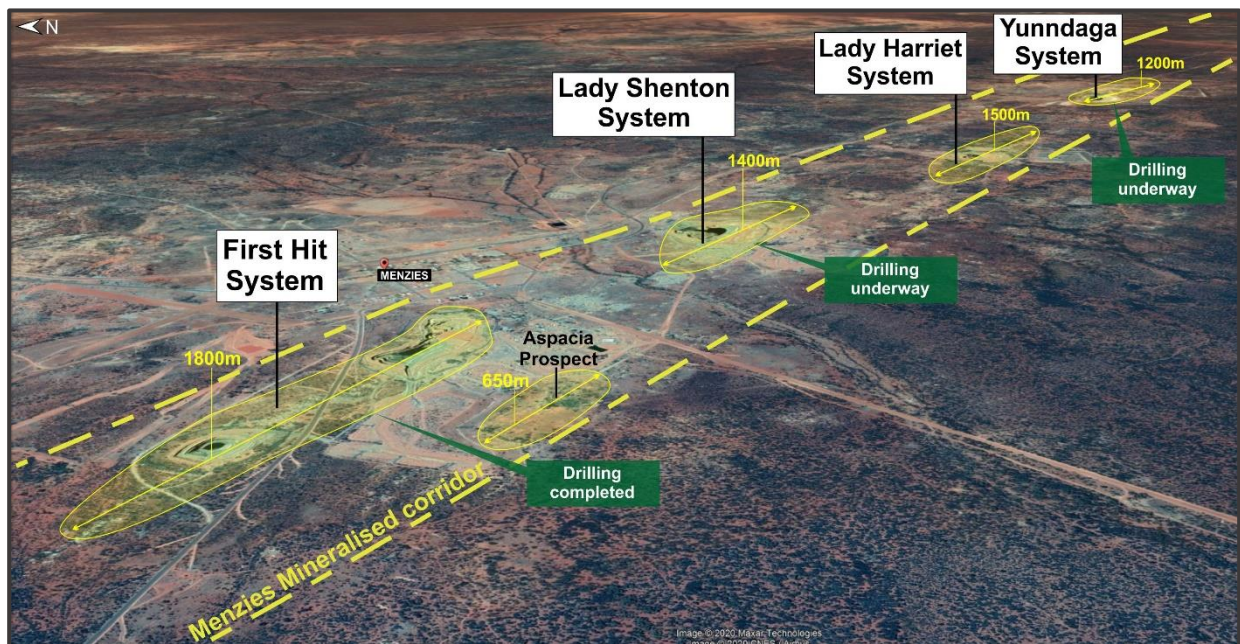


Figure 5: MGP main mineralised systems and planned drilling locations for the current programme.

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 2 and drill hole details in Table 3.

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 6).

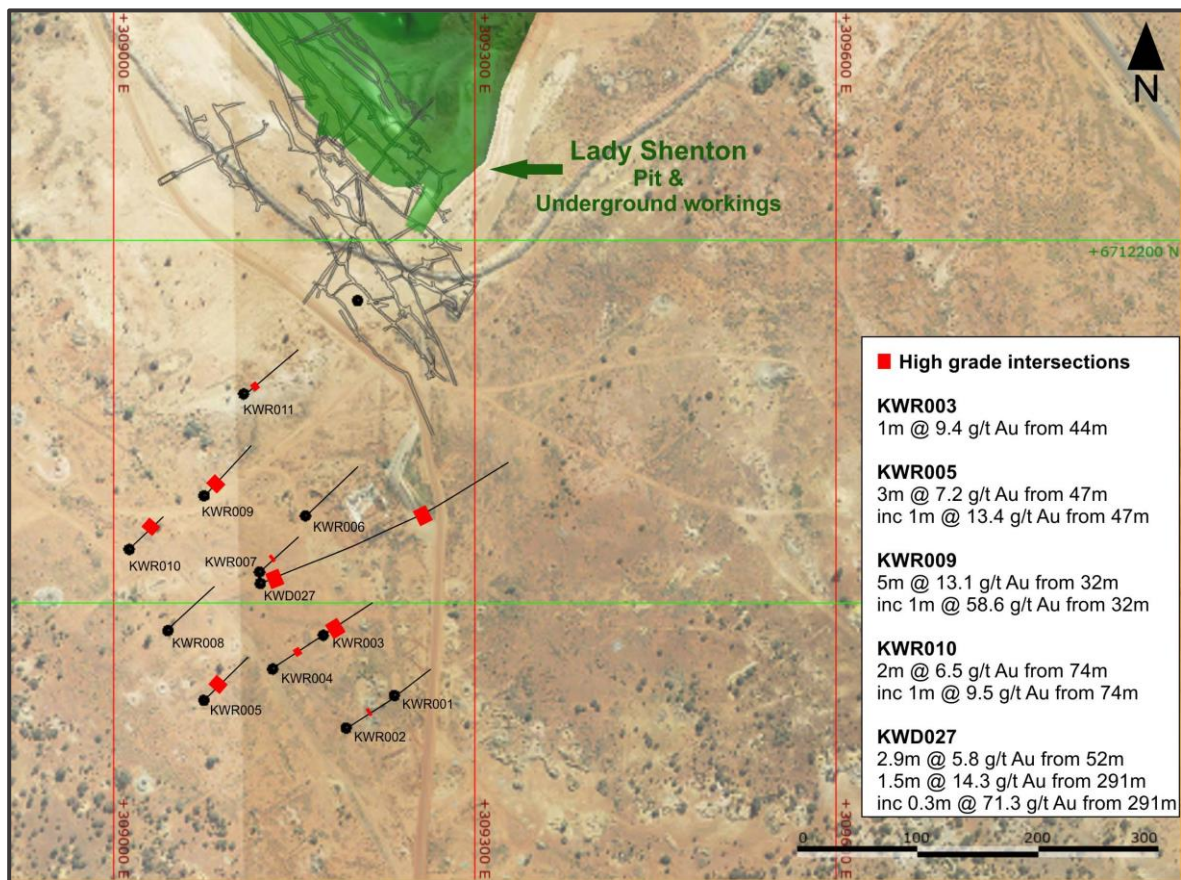


Figure 6: Drill hole traces at Lady Shenton with significant intersections.

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 7). 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.

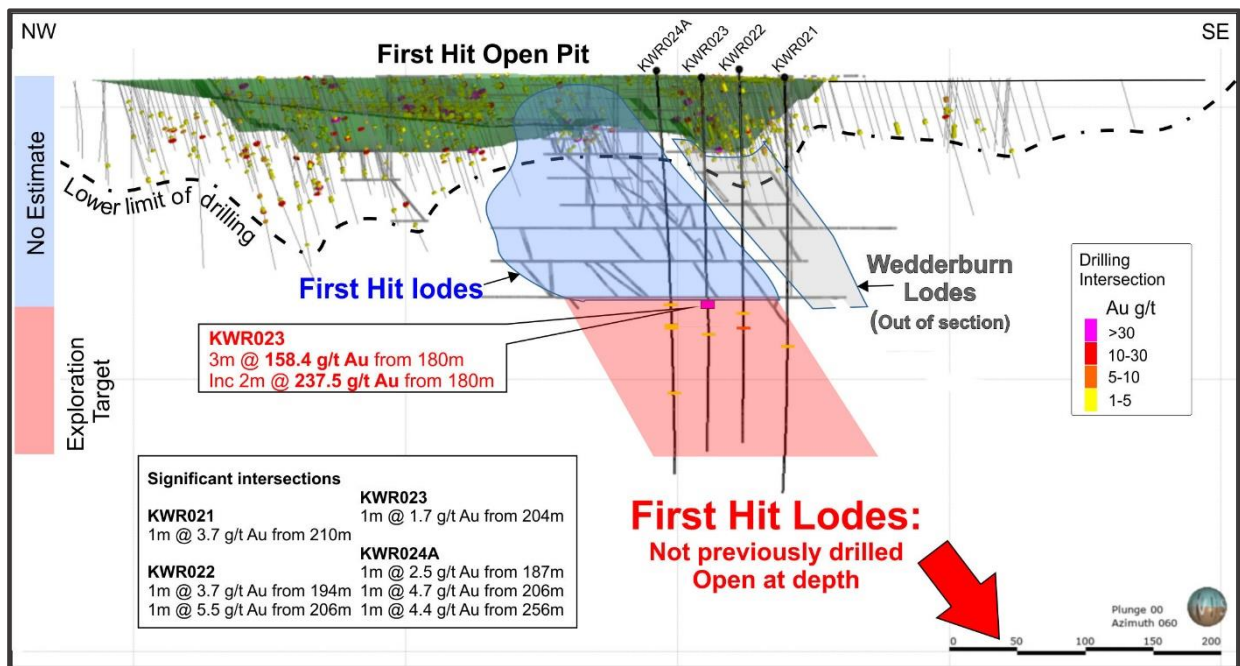


Figure 7: First Hit long section showing drill intersection points.

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 2: 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
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 3: 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
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



NEW TENEMENTS ACQUIRED

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 8). The application area includes eight (8) Prospecting Licences numbered P29/2578 – 2585 inclusive.

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.

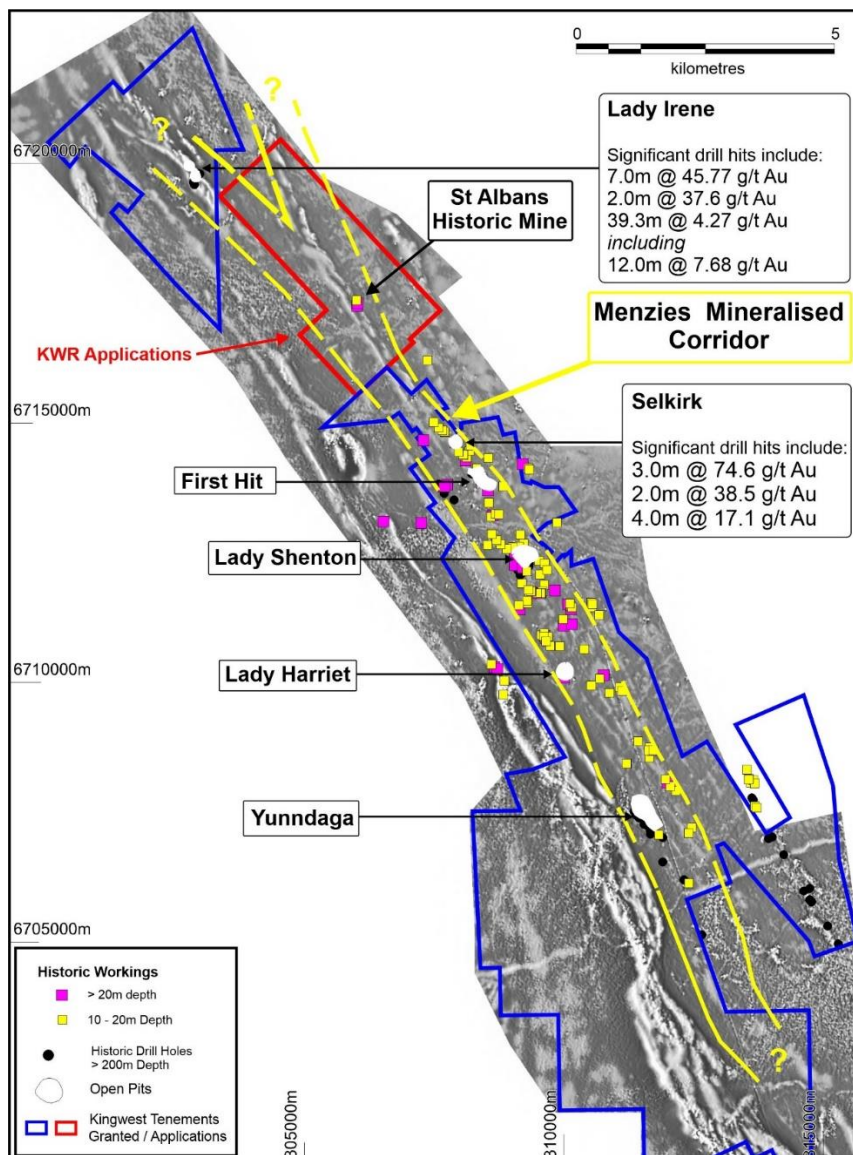


Figure 8: New tenements shown in red between existing KWR tenements (blue) cover the structural trend extending from the major gold mines of Menzies, through the new tenure and into Lady Irene.



SALE OF NON-CORE EXPLORATION TENURE

As KWR increases effort at the Menzies Gold Project and delivers strong results, and subsequent to the end of the March Quarter, 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). KWR also disposed of its 100% owned Wells Group of tenements (E37/1252, E37/1284, E37/1285 and E37/1314) for cash consideration of \$125,000 to NTM Gold Limited (ASX: NTM).

CORPORATE

During the quarter the Company completed a \$3,500,000 (before costs) Placement to professional and sophisticated investors through the issue of 21,212,121 ordinary shares in the Company at \$0.165 per share. Funds raised from the Placement are being used to fund exploration drilling activities at the Company's Menzies Gold Project targeting high-grade extensions to the existing known mineralisation.

The Company is pleased to report the direct impacts from Covid-19 have been minimal at this time with KWR staff and contractors being able to continue to carry out their duties whilst adhering to the Government directives. Working from home protocols have been implemented as required.

Use of Funds

In accordance with obligations under ASX Listing Rule 5.3.4, Kingwest Resources Limited provides the following information with respect to its Use of Funds Statement set out in its Prospectus dated 24 May 2018 and its actual expenditure since ASX admission on 24 August 2018.

Expenditure Item	Use of Funds	Actual Expenditure	Variance	Note
		(24.08.18 – 31.03.20)		
	\$'000	\$'000	\$'000	
Opening cash	361	24	(337)	1
Proceeds from the Offer	5,000	5,000	-	
Total	5,361	5,024	(337)	
Exploration expenses (Leonora tenements)	2,870	1,588	1,282	2
Messina joint venture and royalty	490	490	-	
Administration and overhead costs	1,123	1,654	(531)	3
Expenses of the offer	506	344	162	4
Working capital	372	89	283	3
Exploration expenses (Menzies Gold Project)	-	2,359	(2,359)	5
Acquisition costs (Menzies Gold Project)	-	1,750	(1,750)	5
Capital raising income – post IPO	-	(7,500)	7,500	5
Capital raising costs – post IPO	-	520	(520)	5
Total	5,361	1,294	4,067	
Remaining Cash			3,730	



Notes:

1. Cash balance on 24 May 2018 varies to cash balance on 24 August 2018 due to payments towards expenses of the Offer and administration expenses over this period.
2. Actual Exploration expenses are \$1,282k below the use of funds budget. Following the IPO the Company completed a drilling campaign totalling 13,188m with mixed exploration success. To complement the existing Leonora assets the Company entered into an Agreement to acquire the Menzies and Goongarrie Gold Project in July 2019 as approved by shareholders in September 2019. Given the exploration success at Menzies since acquisition, the primary focus of the Company and its available funds has been on the Menzies Gold Project. The Company is seeking divestment opportunities for its remaining Leonora assets whilst keeping them in good standing.
3. Actual administration and overhead costs are \$531k higher than the use of funds budget due to the additional costs incurred with the acquisition of the Menzies Gold Project and associated capital raisings. Additional costs incurred (separate to direct capital raising costs – refer note 5) included legal and due diligence costs, costs associated with convening a shareholder meeting to approve the acquisition and corporate advisory costs. The Company utilised excess working capital funds to fund the additional administration and overhead costs.
4. Expenses of the Offer paid for the period are showing as being below the use of funds budget by \$162k due to \$196k in IPO costs paid pre IPO (refer Note 1). Total expenses of the offer were materially consistent with the use of funds budget.
5. In September 2019 the Company completed the acquisition of the Menzies Gold Project for an initial cash consideration of \$1.75m. KWR completed an initial 6,520m drilling campaign to December 2019 and commenced an additional 8,300m drilling program in March 2020. Funding for the cash consideration and exploration expenditure of the Menzies Gold Project was from the capital raising in September 2019 of \$4m and February 2020 of \$3.5m. Direct costs associated with the capital raising were \$520k.

-Ends-

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

Further information contact:

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CEO

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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 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.



APPENDIX 1

Tenement information

PROJECT	TENEMENT	TENURE TYPE	STATUS	CHANGE IN INTEREST	KWR CURRENT INTEREST
MENZIES (Western Australia)	E29/984	EXPLORATION	GRANTED	-	100%
	L29/42	MISCELLANEOUS	GRANTED	-	100%
	L29/43	MISCELLANEOUS	GRANTED	-	100%
	L29/44	MISCELLANEOUS	GRANTED	-	100%
	M29/14	MINING	GRANTED	-	100%
	M29/153	MINING	GRANTED	-	100%
	M29/154	MINING	GRANTED	-	100%
	M29/184	MINING	GRANTED	-	100%
	M29/212	MINING	GRANTED	-	100%
	M29/410	MINING	GRANTED	-	100%
	M29/88	MINING	GRANTED	-	100%
	P29/2251	PROSPECTING	GRANTED	-	100%
	P29/2252	PROSPECTING	GRANTED	-	100%
	P29/2253	PROSPECTING	GRANTED	-	100%
	P29/2254	PROSPECTING	GRANTED	-	100%
	P29/2346	PROSPECTING	GRANTED	-	100%
	P29/2366	PROSPECTING	GRANTED	-	100%
	P29/2367	PROSPECTING	GRANTED	-	100%
	P29/2383	PROSPECTING	GRANTED	-	100%
	P29/2384	PROSPECTING	GRANTED	-	100%
	P29/2385	PROSPECTING	GRANTED	-	100%
	P29/2386	PROSPECTING	GRANTED	-	100%
P29/2387	PROSPECTING	GRANTED	-	100%	
P29/2450	PROSPECTING	GRANTED	-	100%	
GOONGARRIE (Western Australia)	E29/966	EXPLORATION	GRANTED	-	100%
	E29/1062	EXPLORATION	GRANTED	100%	100%
	E29/996	EXPLORATION	GRANTED	-	100%
	L29/109	MISCELLANEOUS	GRANTED	-	100%
	M29/420	MINING	GRANTED	-	100%
	P29/2380	PROSPECTING	GRANTED	-	100%
	P29/2381	PROSPECTING	GRANTED	-	100%
	P29/2412	PROSPECTING	GRANTED	-	100%
	P29/2413	PROSPECTING	GRANTED	-	100%
CRAWFORD (Western Australia)	M37/1202	MINING	GRANTED	-	75%
	P37/8901	PROSPECTING	GRANTED	-	100%
GAMBIER LASS NORTH (Western Australia)	E37/0893	EXPLORATION	GRANTED	-	75%
KING OF THE WEST (Western Australia)	E37/1253	EXPLORATION	GRANTED	(100%) ¹	-
EMPEROR (Western Australia)	E37/0882	EXPLORATION	GRANTED	(100%) ¹	-
	E37/1054	EXPLORATION	GRANTED	(100%) ¹	-
	E37/1086	EXPLORATION	GRANTED	(100%) ¹	-
	E37/1319	EXPLORATION	GRANTED	(100%) ¹	-
	E37/1321	EXPLORATION	GRANTED	(100%) ¹	-



PROJECT	TENEMENT	TENURE TYPE	STATUS	CHANGE IN INTEREST	KWR CURRENT INTEREST
	E37/1322	EXPLORATION	GRANTED	(100%) ¹	-
ROMAN WELL (Western Australia)	E37/1252	EXPLORATION	GRANTED	(100%) ¹	-
GREYMARE WELL (Western Australia)	E37/1284	EXPLORATION	GRANTED	(100%) ¹	-
BIG WELL (Western Australia)	E37/1285	EXPLORATION	GRANTED	(100%) ¹	-
	E37/1314	EXPLORATION	GRANTED	(100%) ¹	-

¹ As noted in the report, these tenements were sold subsequent to the end of the March quarter.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Kingwest Resources Limited

ABN

58 624 972 185

Quarter ended ("current quarter")

31 March 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation (if expensed)	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(57)	(195)
(e) administration and corporate costs	(214)	(558)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	12
1.5 Interest and other costs of finance paid	(1)	(2)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives (net of costs)	-	-
1.8 Other (provide details if material)		
- Security deposit	-	(17)
1.9 Net cash from / (used in) operating activities	(270)	(760)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) tenements	-	(1,750)
(c) property, plant and equipment	(17)	(31)
(d) exploration & evaluation (if capitalised)	(739)	(2,568)
(e) investments	-	-
(f) other non-current assets	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(756)	(4,349)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	3,500	7,500
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(253)	(520)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	3,247	6,980

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,509	1,859
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(270)	(760)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(756)	(4,349)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	3,247	6,980

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	3,730	3,730

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	3,730	1,509
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,730	1,509

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

Current quarter \$A'000
77
-

Amounts included in item 6.1:

- Payment of Directors remuneration - \$49k
- Payment for bookkeeping, accounting and company secretarial fees - \$28k

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(270)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	(739)
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(1,009)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	3,730
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	3,730
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	3.7
8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:	
1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer:	
2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer:	
3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer:	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 28 April 2020

Authorised by: By the Board
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.