

25 August 2020

Kingwest Resources Ltd

ASX: KWR

Shares on Issue
121,905,376

Directors & Management

Chairman
Adrian Byass

CEO
Ed Turner

Non Executive Directors
Stephen Brockhurst
Jonathan Downes
Jon Price

Company Secretary
David McEntaggart

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FULLY UNDERWRITTEN RIGHTS ISSUE TO ACCELERATE MENZIES GOLD EXPLORATION

- **1 for 5 Non-Renounceable Rights Issue at \$0.135 per share to raise up to \$3.3 million**
- **Drilling to commence shortly at Menzies across several high-priority targets to expand the existing 320,000oz JORC Resource**
- **Issue price of \$0.135 per share represents a discount of 13% to the 5 day VWAP of 15.5 cents**
- **Rights Issue fully underwritten by Canaccord Genuity (Australia) Limited**
- **Funds also to be used to advance development programs at Menzies and exploration programs at Goongarrie**

Kingwest Resources Limited (ASX: KWR) (Kingwest or the Company) is pleased to announce a fully underwritten, non-renounceable rights issue to raise \$3.3 million (before costs) to fund exploration and development programs at Menzies and exploration programs at Goongarrie ("Offer").

Under the Offer, shareholders will be offered 1 new share for every 5 existing shares held on 28 August 2020 ("Record Date"). The Offer price of \$0.135 represents a 13% discount to the 5 day VWAP of \$0.155. The Directors intend to participate in their entitlement.

Funds raised under the Offer will be used to:

- accelerate exploration and development programs, mineral resource estimates and scoping studies at the Company's Menzies Gold Project ("MGP");
- undertake drilling programs on the Company's Goongarrie Gold Project ("GGP"); and
- contribute towards working capital requirements and costs of the offer.

Post conclusion of the Rights Issue and completion of the Goongarrie Lady non-core asset divestment, Kingwest expects to have in excess of \$6 million cash at bank to fast track exploration at Menzies to grow the existing 320,000oz JORC Resource and commence its maiden drilling program at Goongarrie.

The Offer is open to all eligible shareholders who have a registered address within Australia or New Zealand, and who hold shares on the Record Date. The Offer will close on 11 September 2020 (unless extended), and eligible shareholders can apply for shortfall in excess of their entitlement.

All new shares issued will rank equally with existing shares on issue, and the Company will apply for quotation of the new shares. A prospectus in relation to the Offer was lodged with ASIC on 25 August 2020 and, together with a personalised entitlement acceptance form, will be sent to eligible shareholders on 2 September 2020.

The Offer is fully underwritten by Canaccord Genuity (Australia) Limited (“Canaccord”), who are acting as Lead Manager and Underwriter to the Offer. Canaccord will receive a \$30,000 corporate advisory fee and 6% fee of the total funds raised under the Offer.

Eligible shareholders should consider the prospectus in deciding whether to acquire new shares under the Offer and will need to follow the instructions on the entitlement and acceptance form that will accompany the prospectus. The following are indicative dates in respect of the capital raising:

Event	Date
Lodgement of Prospectus with the ASIC	Prior to commencement of trading, Tuesday 25 August 2020
Ex date	Thursday, 27 August 2020
Record Date for determining Entitlements	Friday, 28 August 2020
Offer opening date, Prospectus dispatched to Shareholders and Company announces this has been completed	Wednesday, 2 September 2020
Last day to extend the Closing Date	Tuesday, 8 September 2020
Closing Date as at 5:00pm	Friday, 11 September 2020
Securities quoted on a deferred settlement basis	Monday, 14 September 2020
ASX and Underwriter notified of under subscriptions	Wednesday, 16 September 2020
Underwriter subscribes for Shortfall under terms of Underwriting Agreement	Friday, 18 September 2020
Issue date and lodgement of Appendix 2A with ASX applying for quotation of the Shares	Friday, 18 September 2020
Quotation of Shares issued under the Offer	Monday, 21 September 2020

These dates are indicative only.

-Ends-

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

Further information contact:

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ABOUT KINGWEST RESOURCES

Kingwest owns both the Menzies Gold Project (MGP) and the Goongarrie Gold Project (GGP). Menzies is one of Western Australia's major historic gold fields. Located 130km north of the globally significant gold deposits of Kalgoorlie (Figure 1). 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 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**.

The MGP is hosted along the Menzies Shear Zone. All deposits lie within granted Mining Leases and are 100% owned by KWR. **Current mineral resources total 320,000 oz @ 2.1g/t Au²** (Table 1).

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

The GGP is located approximately 40km south of KWR's Menzies Gold Project (MGP) and 90km north of Kalgoorlie (Figure 1).

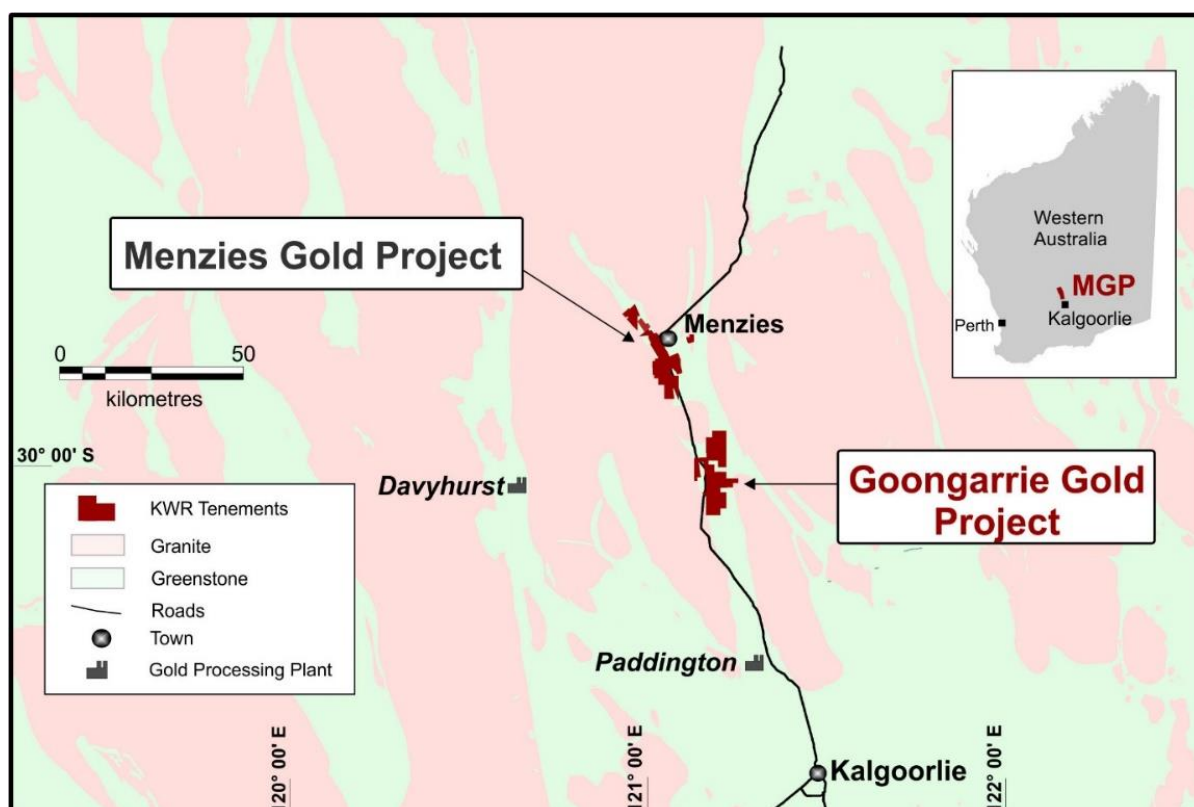


Figure 1: MGP and GGP locations.

The GGP is a contiguous land package covering approximately 125 square km over a strike length in excess of 25km. Within the GGP a series of structurally controlled high-grade gold deposits have been historically mined and these display extensive exploration potential for high-grade extensions. Modern exploration since closure of the mines over 20 years ago has been limited.

The GGP sits within the Bardoc Tectonic Zone (BTZ) which extends south to Kalgoorlie and north to Menzies. All resources lie within granted Mining Leases and are 100% owned by KWR.

Importantly the GGP lies only 75km north of Kalgoorlie on the Goldfields Highway and is within trucking distance of numerous Gold Processing Plants.

Table 1: Kingwest Mineral Resource Estimates July 2020.

MENZIES PROJECT									
Deposit	Indicated Resource			Inferred Resource			Total Resource		
(>1g/t Au)	Mt	Au (g/t)	Oz	Mt	Au (g/t)	Oz	Mt	Au (g/t)	Oz
Yunndaga Shallow				1.58	2.00	103,000	1.58	2.03	103,000
Lady Shenton Shallow				0.79	2.60	64,700	0.79	2.55	64,700
Stirling				0.31	2.20	21,900	0.31	2.17	21,900
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
TOTAL	0.93	1.80	53,200	3.86	2.15	266,800	4.78	2.08	319,900

References

¹ As announced to the ASX on 9 July 2019 (ASX: KWR)

² As announced to the ASX on 10 August 2020 (ASX: KWR)

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 is based on information compiled by Mr Peter Spitalny who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Spitalny is a consultant Geologist to Kingwest Resources Limited. Mr Spitalny has sufficient experience that is relevant to the style of mineralisation, type of deposit under consideration and to the activity that they are undertaking to qualify as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results and consents to the inclusion in this report of the matters based on their information in the form and context in which they appear.

The information in this report that relates to Mineral Resources for the Lady Shenton, Pericles, Stirling, Lady Harriet-Bellinger and Warrior Deposits is based on information compiled by Mr Don Maclean who is a Member of the Australian Institute of Geoscientists and Registered Professional Geologist (Exploration and Mining). Mr Maclean is a consultant Geologist to Kingwest Resources Limited. Mr Maclean has sufficient experience that is relevant to the style of mineralisation, type of deposit under consideration and to the activity that they are undertaking to qualify as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results and consents to the inclusion in this report of the matters based on their information in the form and context in which they appear.

The information in this report that relates to Mineral Resources for the Yunndaga Deposit is based on information compiled by Mr Simon Coxhell. Mr Coxhell is a Member of the Australasian Institute of Mining and Metallurgy. Mr Coxhell was a consultant to Intermin Resources Limited. Some information was prepared and first disclosed under the JORC Code 2004. It has not been updated since (unless indicated) to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported. The remaining exploration results and all of the information relating to resource estimates comply with JORC Code 2012. Mr Coxhell has sufficient experience that is relevant to the style of mineralisation, type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration, Results, Mineral Resource and Ore Reserve's. Mr Coxhell consents to the inclusion in this report of the matters based on their information in the form and context in which they appear.