



**ABN 58 624 972 185**

---

**Annual Report**

**For the year ended 30 June 2020**

---

**Kingwest Resources Limited**

**ABN 58 624 972 185**

**CONTENTS**

---

Corporate Directory	2
Directors' Report	3
Auditor's Independence Declaration	37
Consolidated statement of Profit or Loss and Other Comprehensive Income	38
Consolidated statement of Financial Position	39
Consolidated statement of Changes in Equity	40
Consolidated statement of Cash Flows	41
Notes to the Financial Statements	42
Directors' Declaration	68
Independent Auditor's Report	69
Schedule of Exploration Tenements	73
Shareholder Information	75

# Kingwest Resources Limited

ABN 58 624 972 185

## CORPORATE DIRECTORY

---

<b>Directors</b>	Mr Adrian Byass Non-Executive Chairman
	Mr Jonathan Price Non-Executive Director
	Mr Stephen Brockhurst Non-Executive Director
	Mr Jonathan Downes Non-Executive Director
<b>Chief Executive Officer</b>	Mr Edward Turner
<b>Company Secretary</b>	Mr David McEntaggart
<b>Registered Office</b>	Level 11, 216 St Georges Terrace Perth WA 6000
<b>Principal Place of Business</b>	Unit 3, Churchill Court 335 Hay Street Subiaco WA 6008
<b>Postal Address</b>	GPO Box 2517 Perth WA 6831
<b>Web Site</b>	<a href="http://www.kingwestresources.com.au">www.kingwestresources.com.au</a>
<b>Share Registry</b>	Automic Registry Pty Ltd Level 2, 267 St Georges Terrace Perth WA 6000
<b>Auditors</b>	RSM Australia Partners Level 32, Exchange Tower 2 The Esplanade Perth WA 6000
<b>Securities Exchange Listing</b>	ASX Code: KWR
<b>Country of Incorporation and Domicile</b>	Australia

# Kingwest Resources Limited

ABN 58 624 972 185

## DIRECTOR'S REPORT

For the year ended 30 June 2020

---

The directors present the following report on Kingwest Resources Limited ("the Company") and its wholly owned subsidiaries (together referred to hereafter as "the Group") for the financial year ended 30 June 2020.

### Directors

The names of directors in office at any time during or since the end of the year are:

Adrian Byass	Non-executive Chairman (appointed 18 September 2019)
Stephen Brockhurst	Non-executive Director
Jonathan Price	Non-executive Director (appointed 18 September 2019)
Jonathan Downes	Non-executive Director (appointed 26 November 2019)
Stephen Woodham	Non-executive Director (resigned 26 November 2019)
Peter Bennetto	Non-executive Chairman (resigned 18 September 2019)

### Chief Executive Officer

Edward Turner was appointed Chief Executive Officer on 18 September 2019.

### Company Secretary

David McEntaggart was appointed Company Secretary on 1 October 2018.

### Principal Activities

The principal activity of the Group during the financial year was the acquisition and exploration of resource projects.

### Operating Results

The loss of the Group for the financial year ended 30 June 2020 amounted to \$5,263,017 (2019: loss \$966,122).

### Financial Position

As at 30 June 2020 the Group had a cash balance of \$2,781,402 (2019: \$1,859,163) and a net asset position of \$13,097,568 (2019: \$6,671,425).

### Dividends Paid or Recommended

No dividends have been paid, and the directors do not recommend the payment of a dividend for the financial year ended 30 June 2020.

### Corporate Governance Statement

The Company has disclosed its corporate governance statement on the Company website at [www.kingwestresources.com.au](http://www.kingwestresources.com.au).

### Significant Changes in State of Affairs

There were no significant changes in the state of affairs of the Group that occurred during the year not otherwise disclosed in this report or in the financial report.

# Kingwest Resources Limited

ABN 58 624 972 185

## DIRECTOR'S REPORT

For the year ended 30 June 2020

---

### Corporate

As at the date of this report the following securities were on issue.

ORDINARY SHARES	2020
	No.
Fully Paid Ordinary Shares	121,905,376

### OPTIONS

20 cents expiring on 30 June 2021	15,750,000
39 cents expiring on 30 June 2022	2,700,000
54 cents expiring on 30 June 2022	5,150,000

### PERFORMANCE RIGHTS

Share Appreciation Rights at a strike price of \$0.28 expiring 7 October 2024	2,970,000
--	-----------

### Review of Operations

#### Menzies Gold Project Acquisition

During September Kingwest Resources Limited ("KWR" or "the Company") completed the acquisition of the Menzies Gold Project ("Menzies", or "MGP") from Intermin Resources Limited (subsequently renamed Horizon Minerals Limited) (ASX:HRZ) for \$8 million in cash and shares which will be paid over 18 months (refer to ASX announcement 9 July 2019 and 18 September 2019). Menzies is one of Western Australia's major historic gold fields. Located 130km north of the globally significant gold deposits of Kalgoorlie, the MGP includes multiple high-grade deposits. Past production and current resources confirm the significant scale of the Menzies region.

#### Menzies Project Summary

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 (Figure 1). All deposits lie within granted Mining Leases and are 100% owned by KWR. The Goongarrie Project, which is approximately 45km south of Menzies, is also part of the tenement package acquired by KWR.

The MGP has recorded historical production of **643,200 oz @ 22.5g/t Au** from underground (U/G) between 1895 and 1943 plus **145,000 oz @ 2.6g/t Au** open cut between 1995 and 1999, for a total of **787,200 oz @ 18.9g/t Au**. A current 2012 JORC compliant Resource has been defined at the Yunndaga, Pericles, Bellenger and Warrior Deposits and is detailed in Table 1. These resources have only been calculated for shallow mineralisation considered suitable for open cut mining at periods of lower gold prices. Higher-grade intersections within this larger mineralisation package have thus been diluted by the low cut-off grade applied. The MGP deposits remain poorly drill tested at depth, along strike and also display considerable potential for echelon/parallel repeated lodes in a lateral offset under cover.

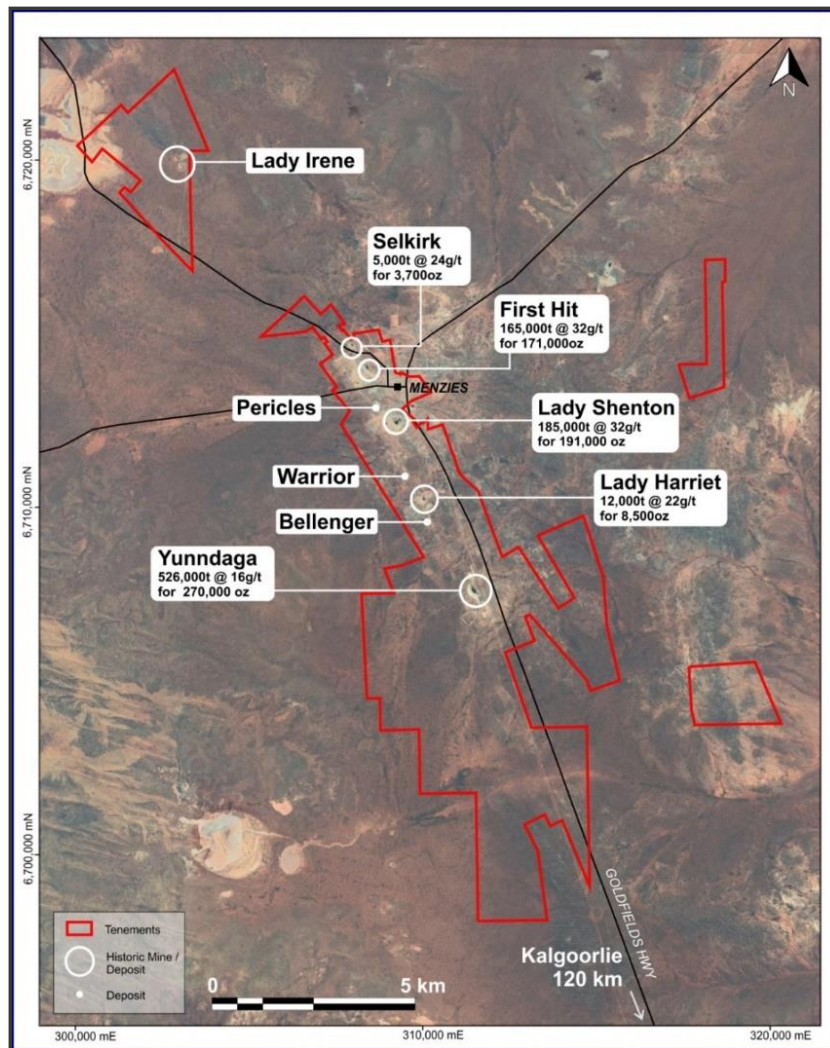


Figure 1: Menzies Project deposits, historic production figures and tenement boundaries.

### 2019 Drilling Programme at Menzies

The 2019 drill programme included 27 holes for 6,907.6 metres (KWD001 – 016, 026 – 036) in total comprising 919 metres of RC and 5,989 metres of diamond core. An additional nine RC pre collars were completed for 558m (KWD017 – 025) at Lady Irene and Lady Shenton.

The programme was successful in achieving its objectives; with high-grade gold intercepts drilled beneath previous workings (or historic drilling) at all prospects. In addition, significant new lodes have been discovered at Lady Shenton and Yunndaga.

A summary of drilling completed at each deposit follows:

At **Yunndaga** ten holes were drilled (KWD011 - KWD016, KWD031 - 034) for a total of 3,124 metres.

KWD031 – 034 are located closer to or within the historic Princess May lode which has been mined to 600 vertical metres. The deepest historic drilling at Menzies targeting an extension of the Princess May shoot at Yunndaga

## Kingwest Resources Limited

ABN 58 624 972 185

### DIRECTOR'S REPORT

For the year ended 30 June 2020

---

returned 2.4m @ 14.7 g/t Au from 558.9m in DDH1. Kingwest considers that depth potential persists across the project at the other high-grade lodes.

Significant results from these latest drill holes include:

**1.3m @ 19.82g/t Au** from 92.0m, **inc. 0.3m @ 64.4g/t Au** from 92.3m in KWD032 (in hanging wall of Princess May stope at Yunndaga) and **2.28m @ 17.87g/t Au** from 99.65m, **inc. 1.20m @ 33.80g/t Au** from 99.65m in KWD032 (new footwall lode beneath Princess May workings at Yunndaga).

KWD031-034 were planned after the initial phase of exploration provided valuable targeting information and have discovered a previously unmined lode parallel with the high-grade and deep-seated (600m vertical) Princess May shoot. Mine records are limited and modern drilling coverage very poor. There were only 20 drill holes to greater than 200m depth in the entire +10km strike of the MGP prior to 2019. Kingwest drilled through historic stoped (mined) areas and this drilling intersected a new 'footwall' lode which sits slightly deeper and under historic underground workings.

At **Selkirk** three holes (KWD001 – 003) were drilled for a total of 443.6 metres with high grade intersections in each of the holes. These included 1.14m @ 12.54 g/t in KWD001, 0.5m @ 32.2 g/t in KWD002 and 2.3m @ 8.36 g/t Au in KWD003. The lode remains open down plunge.

At **Pericles** seven holes were drilled (KWD004 – 010) for a total of 1,514.79 metres. There were numerous high-grade intersections with the best being **0.93m @ 36.20g/t Au** from 126.27m in KWD008.

At **Lady Shenton** four holes for 1,428 metres (KWD026 – 029) were drilled along with seven RC pre collars for 408 metres (KWD020 – 025).

KWD027 successfully targeted the down dip extension of the Lady Shenton lode despite deviating significantly to the south and intersected **1.50m @ 14.33g/t Au** from 291.5m, **inc. 0.30m @ 71.3g/t Au** from 292.1m. This hole appears to have caught the southern edge of the shoot approximately 100 metres below the base of historic underground workings.

KWD027 also intersected a new lode over 100 metres to the west of the Lady Shenton lode. The **2.90m @ 5.84g/t Au** from 52.1m, **inc. 0.30m @ 45.8g/t Au** from 52.1m. This has been named the Stirling Lode.

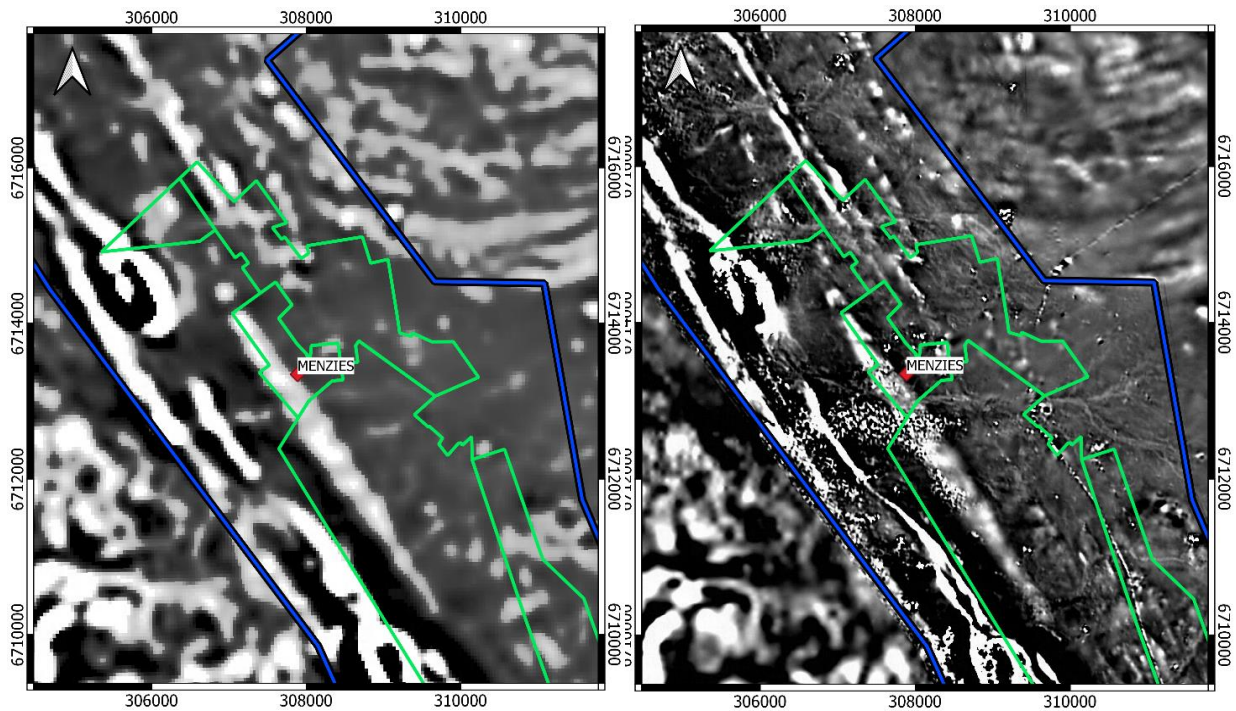
#### **Aeromagnetic Survey at Menzies**

A very detailed aeromagnetic survey over the MGP was completed with a total of 5,718-line kilometres flown at 25 metre line spacing. The survey was flown by MAGPSEC Airborne Surveys Pty Ltd.

Data was then integrated with updated 3D geological models which in turn included detailed geological information collected in the 2019 diamond drilling program. The objective of the survey was to delineate geological units and significant structures within and between known mineralised deposits in order to define the main structural controls and to help predict the most likely locations of undiscovered mineralised lodes. The 25-metre line spacing gives considerably improved magnetic and radiometric images compared to the previous 100 metre line spaced Government data as shown in Figure 2.

DIRECTOR'S REPORT

For the year ended 30 June 2020



**Figure 2: 100 metre lined spaced Government aeromagnetic survey on left and new 25 metre line spaced aeromagnetic survey on right (part of survey area only).**

### Historic Underground Sample Data at Menzies

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 3 and 4). Assays from historic underground face-sampling in lower levels of Yunndaga and Lady Shenton Workings included 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).

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.



# Kingwest Resources Limited

ABN 58 624 972 185

## DIRECTOR'S REPORT

For the year ended 30 June 2020

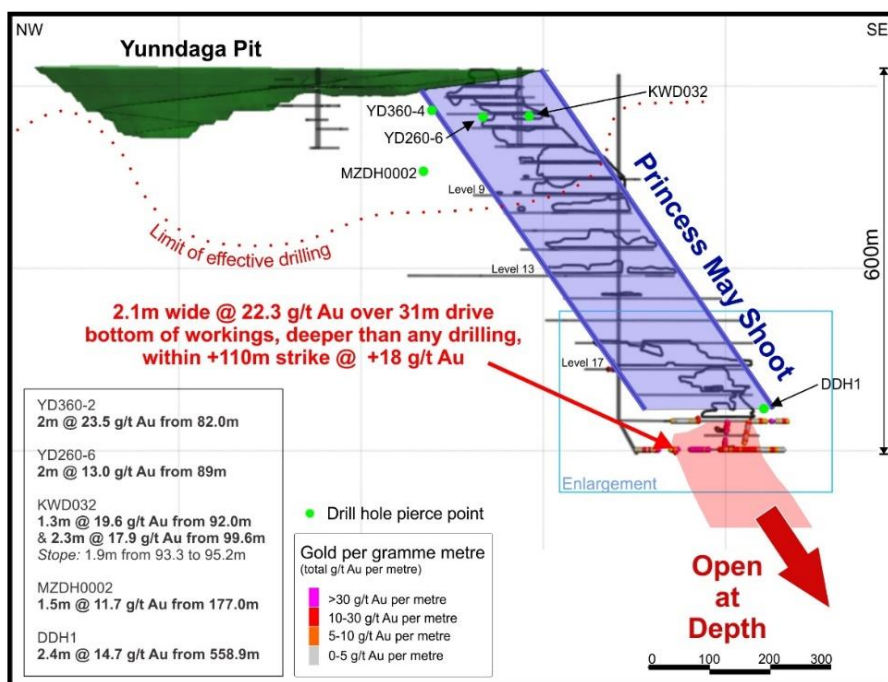


Figure 3: Long section of Yunnadaga deposit showing the location of the Princess May Shoot, underground workings and historic underground sampling recorded as gram metres (sample width interval x g/t Au assay). Mineralisation is interpreted to continue at depth. DDH1 is the deepest drillhole at MGP and is located above the Level 19 sampling. Historic drill results in Figure 2 previously reported on 9 December 2019 (ASX:KWR).

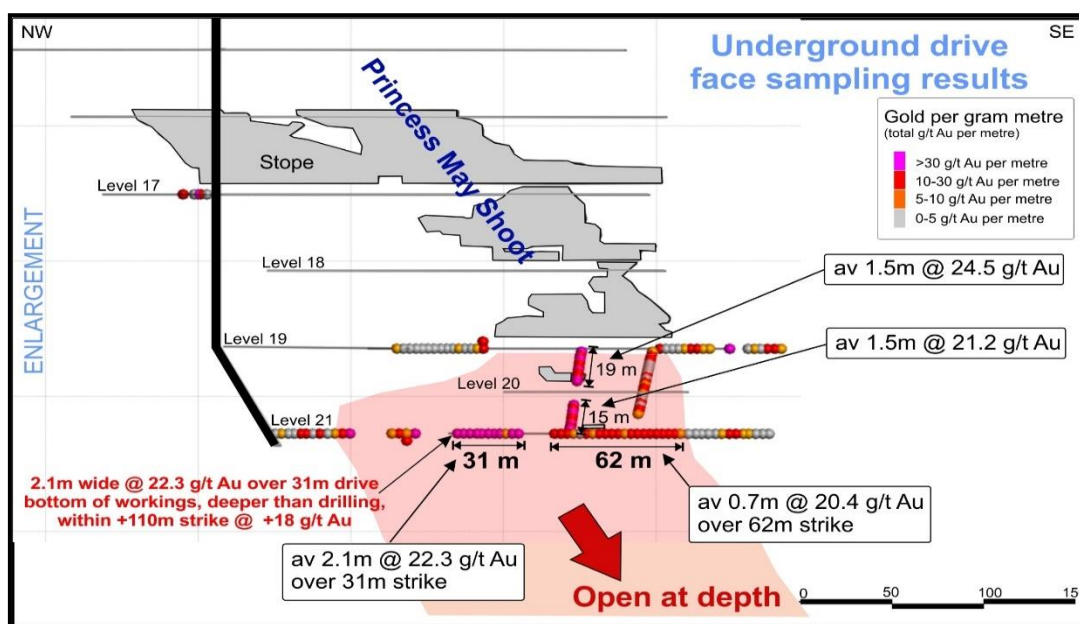


Figure 4: Location of underground sampling of the Princess May shoot as highlighted in the enlargement box in Figure 3.

## Kingwest Resources Limited

ABN 58 624 972 185

### DIRECTOR'S REPORT

For the year ended 30 June 2020

#### High-Grade Exploration Targets Developed at Menzies

##### **Yunnadga (Princess May) Depth Extension**

The initial mining operations at Yunnadga, from 1896-1926 and then 1934-1936, exploited the Princess May Lode (Figure 3) 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 Yunnadga 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 <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:

$$\begin{aligned}\text{Volume range} &= 180\text{m} \times 1\text{m} \times 400\text{m up to } 180\text{m} \times 2\text{m} \times 400\text{m} \\ &= 72,000\text{m}^3 \text{ up to } 144,000\text{m}^3\end{aligned}$$

$$\begin{aligned}\text{Tonnage range} &= 72,000\text{m}^3 \times 2.7\text{t/m}^3 \text{ up to } 144,000\text{m}^3 \times 2.7\text{t/m}^3 \\ &= 194,400\text{t up to } 388,800\text{t}\end{aligned}$$

##### **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

## Kingwest Resources Limited

ABN 58 624 972 185

### DIRECTOR'S REPORT

For the year ended 30 June 2020

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 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:

$$\begin{aligned}\text{Volume range} &= 150\text{m} \times 1\text{m} \times 300\text{m up to } 150\text{m} \times 1.5\text{m} \times 300\text{m} \\ &= 45,000\text{m}^3 \text{ up to } 67,500\text{m}^3\end{aligned}$$

$$\begin{aligned}\text{Tonnage range} &= 45,000\text{m}^3 \times 2.7\text{t/m}^3 \text{ up to } 67,500\text{m}^3 \times 2.7\text{t/m}^3 \\ &= 121,500\text{t up to } 182,250\text{t}\end{aligned}$$

#### 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.

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.**

## Kingwest Resources Limited

ABN 58 624 972 185

### DIRECTOR'S REPORT

For the year ended 30 June 2020

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

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.

#### **New Tenements Acquired at Menzies**

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 5). 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.

Kingwest Resources Limited

ABN 58 624 972 185

DIRECTOR'S REPORT

For the year ended 30 June 2020

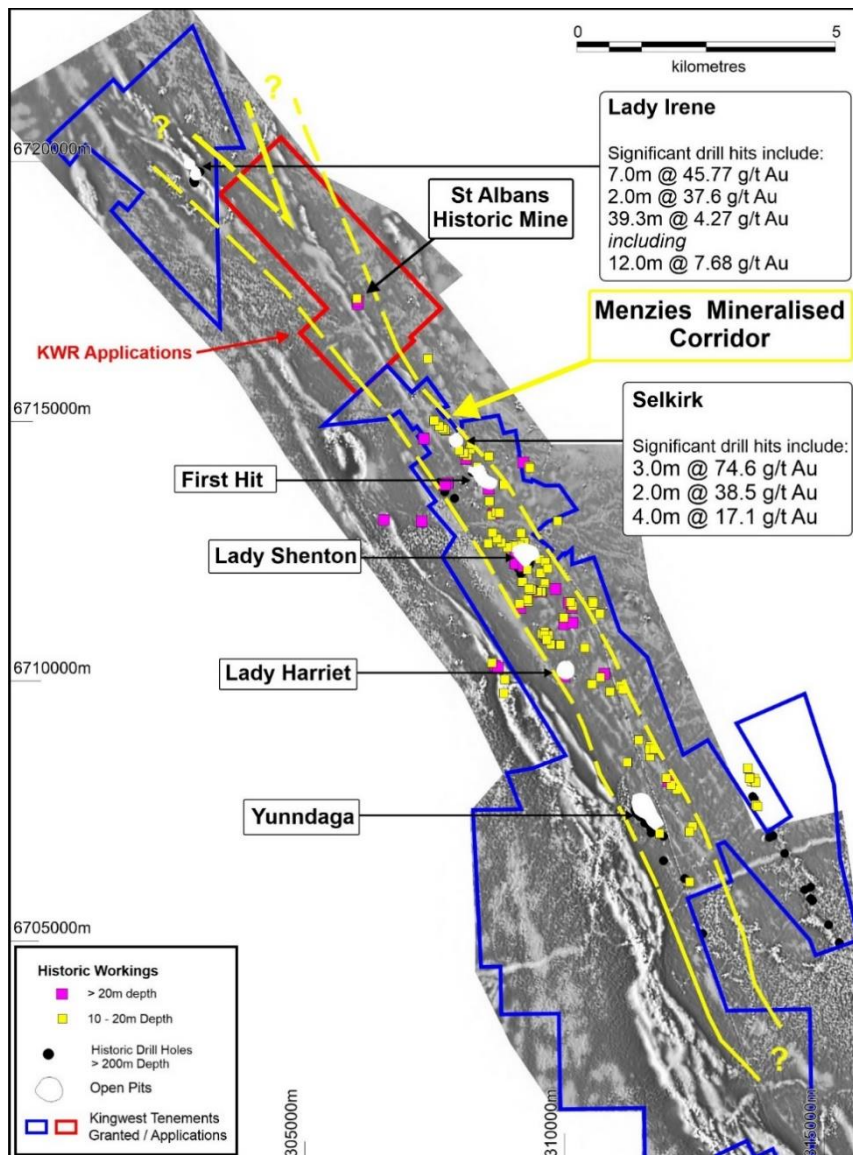


Figure 5: New tenements shown in red between existing KWR tenements (blue) cover the structural trend extending from the major gold mines of Menzies, through the new tenure and into Lady Irene.

# **Kingwest Resources Limited**

**ABN 58 624 972 185**

## **DIRECTOR'S REPORT**

**For the year ended 30 June 2020**

---

### **Positive Scoping Study at Goongarrie**

A Scoping Study was completed at the Goongarrie Lady deposit by an independent mining consultant. Goongarrie Lady is located approximately 40km southeast of Kingwest's Menzies Gold Project (MGP) and 90km north of Kalgoorlie, next to the Goldfields Highway.

Goongarrie Lady was mined in the 1990's by Julia Mines NL, producing 29,000t of ore grading 4.5g/t Au. Mining ceased when heavy rain flooded the pit and caused wall instability at a time of low gold prices.

Outcomes from the Scoping Study include:

- A Production Target of Production Target of 50,000t of ore grading 3.12g/t gold (Au) and a net cash flow from the project estimated to be in a range of \$6M to \$12M, before taxation and financing.
- Granted Mining Leases and mine permitting at an advanced stage. Short mining programme (estimated 6 months total).
- Previous historic production showed good metallurgical recovery and 92% modelled in study.
- Based on haulage to and processing through third party toll treatment mill with several within the region accessible by road.
- High confidence in Mineral Resource basis for Scoping Study with 95% of proposed mined material and 97% of the gold is contained in Measured or Indicated JORC category Mineral Resources inside pit shell.
- Mineralisation extends at depth below the base of current optimisation, but confidence is reduced through low density drilling.
- Follow-up drilling could potentially convert Inferred Resources below the chosen pit optimisation and allow an increase in mining material after Stage 1.

# Kingwest Resources Limited

ABN 58 624 972 185

## DIRECTOR'S REPORT

For the year ended 30 June 2020

### Updated Mineral Resource Estimates (MRE's) at Menzies

During the year Kingwest has completed new MRE's at Pericles, Stirling, Selkirk, Lady Shenton, Lady Harriet-Bellenger and Warrior deposits. Menzies MRE's now total 320,000 ounces @ 2.1g/t Au (Table 1).

Near surface gold resources at Menzies have increased by 87% since KWR acquired the Menzies Project in September 2019. KWR is planning further drilling with the objective of adding further increases to the size and confidence levels of the MRE's in 2020.

**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
Yundaga 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
<b>TOTAL</b>	<b>0.93</b>	<b>1.80</b>	<b>53,200</b>	<b>3.86</b>	<b>2.15</b>	<b>266,800</b>	<b>4.78</b>	<b>2.08</b>	<b>319,900</b>
GOONGARRIE 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
Goongarrie Lady	0.27	2.40	20,900	0.04	2.14	3,000	0.31	2.40	23,900
<b>TOTAL</b>	<b>0.27</b>	<b>2.40</b>	<b>20,900</b>	<b>0.04</b>	<b>2.14</b>	<b>3,000</b>	<b>0.31</b>	<b>2.40</b>	<b>23,900</b>
TOTAL MENZIES AND GOONGARRIE PROJECTS									
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
Menzies	0.93	1.77	53,200	3.86	2.16	266,800	4.50	2.08	320,000
Goongarrie	0.27	2.40	20,900	0.04	2.14	3,000	0.31	2.40	23,900
<b>TOTAL</b>	<b>1.20</b>	<b>1.92</b>	<b>74,100</b>	<b>4.00</b>	<b>2.15</b>	<b>269,800</b>	<b>4.77</b>	<b>2.24</b>	<b>343,900</b>

*\*All resources reported using 1 g/t Au lower cut off*

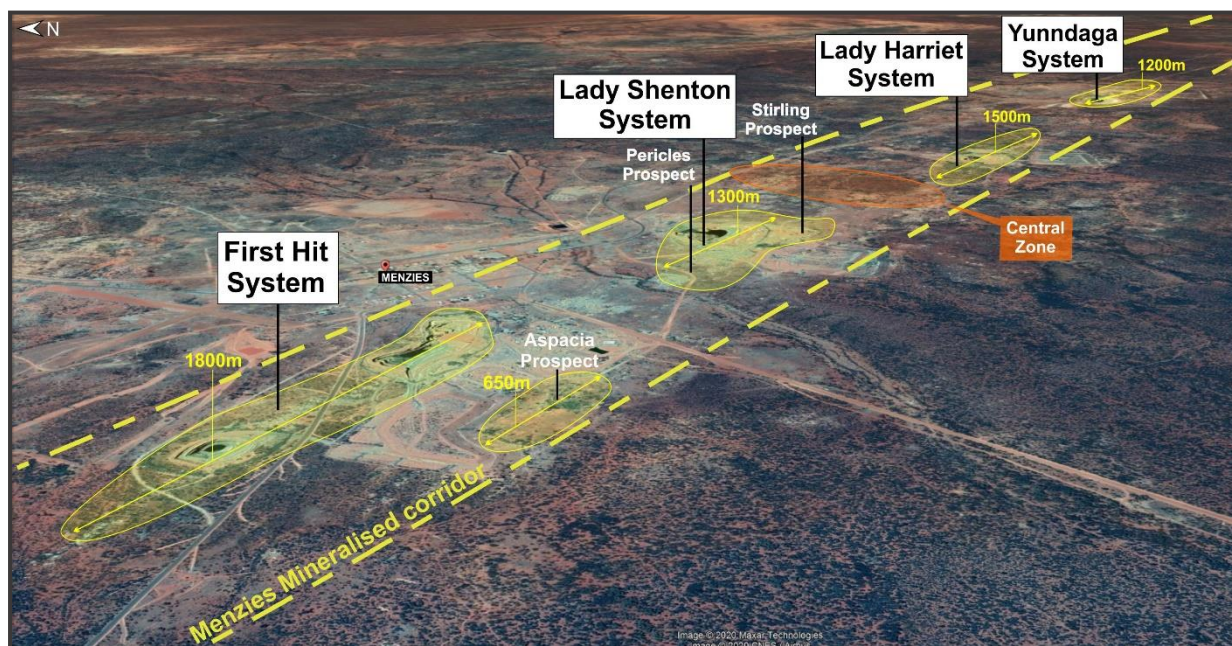


DIRECTOR'S REPORT

For the year ended 30 June 2020

**2020 Drilling at Menzies**

Fifty-six drillholes comprising 34 RC holes and 22 diamond core holes have been drilled in the first half of 2020 for a total of 12,310.28 metres. A full list of these holes is included in Table 3 and the many significant intersections are summarised in Table 2. Drilling was completed within the Yunddaga, Lady Shenton and First Hit Systems as well as the Central Zone (Figure 6).



**Figure 6: Menzies Gold Project aerial view.**

A summary of results from the drilled areas follows.

**First Hit System**

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.



## DIRECTOR'S REPORT

For the year ended 30 June 2020

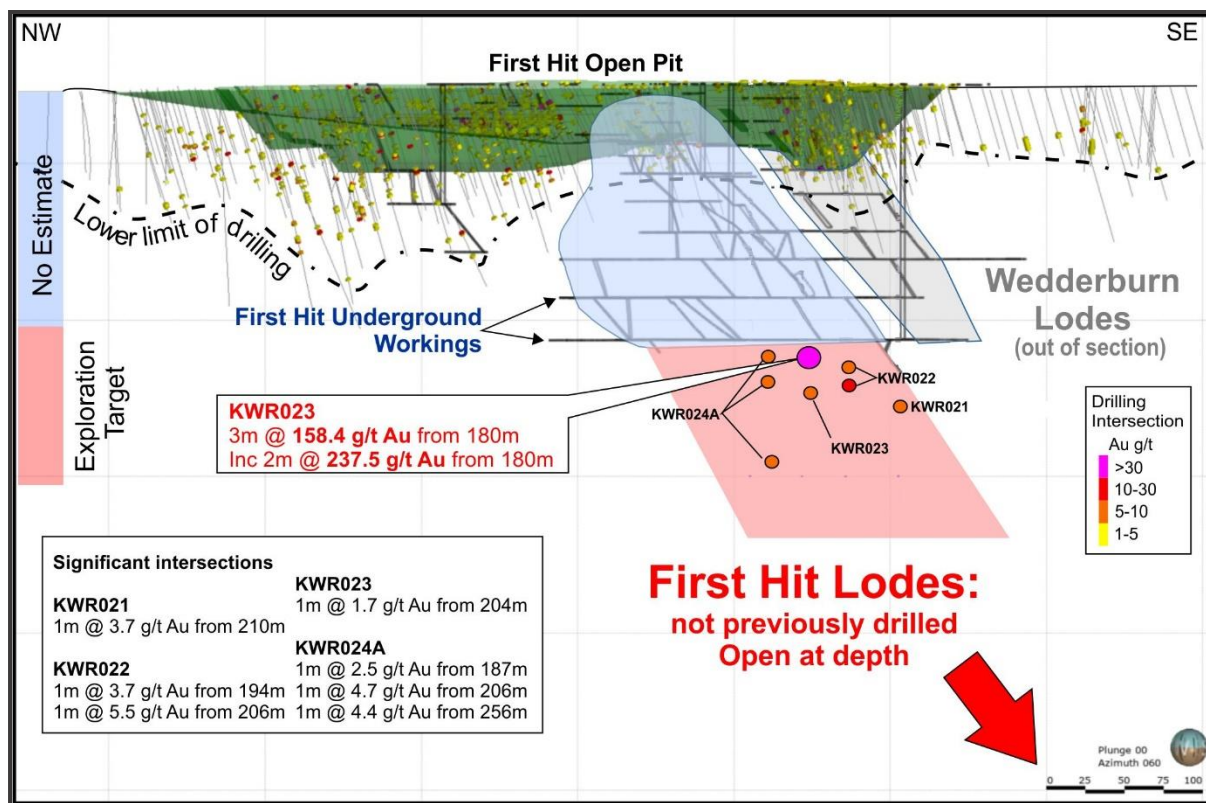


Figure 7: First Hit long section showing drill intersection points.

## Yunndaga System

Eleven drill holes have been drilled in 2020 at Yunndaga. These consisted of two RC holes (KWRD012, 013) as well as nine diamond core holes (KWRD014, KWRD014W2, KWRD014W3, KWRD015-021). KWRD014W2 and KWRD014W3 are directional wedges from the KWRD014 parent hole. Significant drill assay results include **1.03m @ 25.40g/t Au from 731.47m** in KWRD014 (Figure 8) which is the deepest hole drilled to date at Yunndaga, and the MGP. This result lies approximately 60m below the deepest workings at Level 21, which have been sampled and show wide intersections of high-grade gold (ASX release 6 February 2020). Results have reinforced the high-grade nature of gold mineralisation at Menzies and the open-ended nature of the gold deposits.

KWRD014W2 intersected **0.68m @ 5.1 g/t Au from 735.71m** (N.B. this is the result from the second half of the core cut for this interval, the other half returned an assay of 0.58g/t Au which once again shows the highly variable nature of the coarse gold within the MGP), 0.80m @ 3.61g/t Au from 752.70m and 2.07m @ 2.19 g/t Au from 756.41m. KWRD014W3 intersected **1.10m @ 5.74 g/t Au from 759.22m**, 1.00m @ 2.53 g/t Au from 778.86m and 1.02m @ 3.66 g/t Au from 785.78m. Figure 8 is a long section showing the pierce points into the Princess May shoot.

Significant mineralisation has now been extended more than 100m below the lowest Princess May Shoot underground workings (Level 21) and remains open at depth and along strike in both directions.

DIRECTOR'S REPORT

For the year ended 30 June 2020

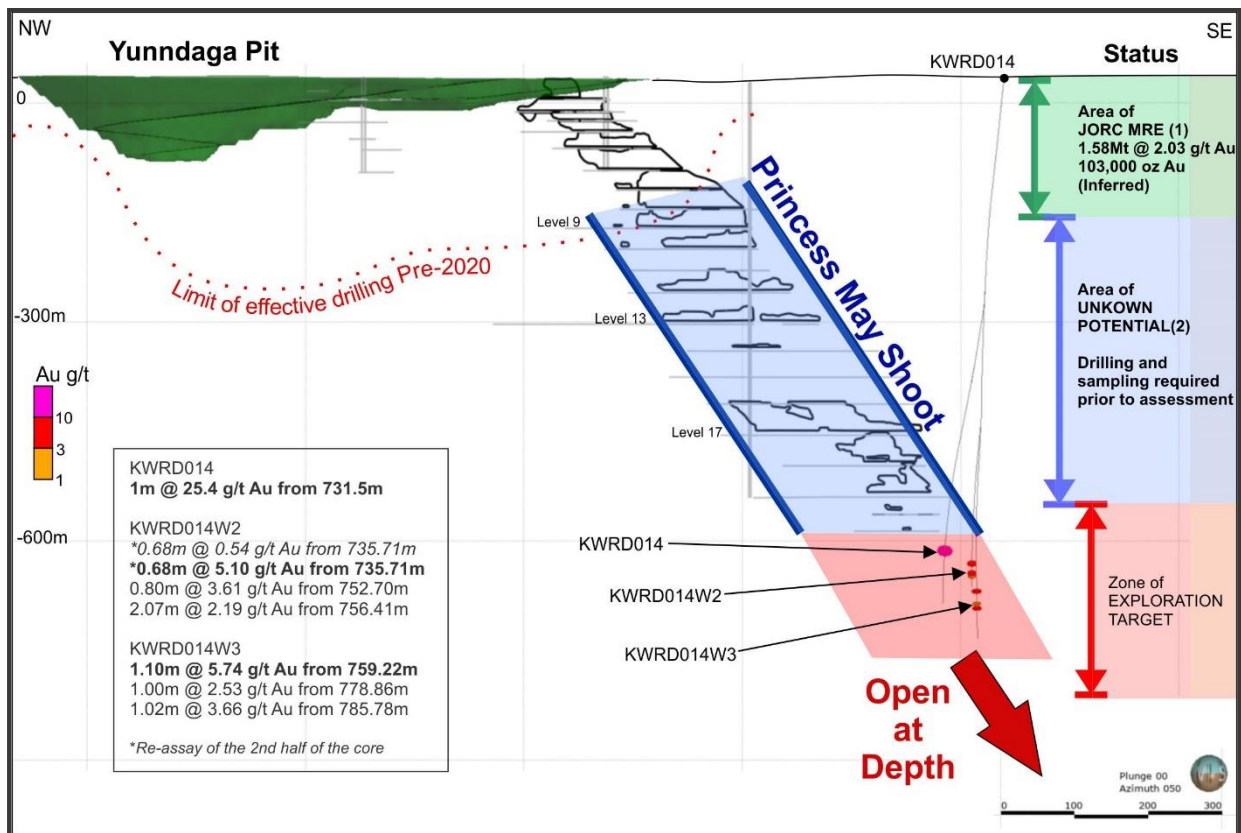


Figure 8: Yunndaga long section showing KWRD014, KWRD014W2 and KWRD014W3 pierce points

## Lady Shenton System

Deep diamond core drill testing of the interpreted continuation of the Lady Shenton lode was partially ineffective due to discovery of a fault that has offset part of the Lady Shenton lode (laterally and down from the predicted location) and pre-existing pre collars were not effectively placed to continue extensional drilling following the lode. Use of diamond core drilling has allowed precise determination of the orientation of the fault and enables the nature of the offset of the Lady Shenton Lode to be predicted. Nine diamond core tails were completed (KWRD005 – 011, KWD023 and KWD026).

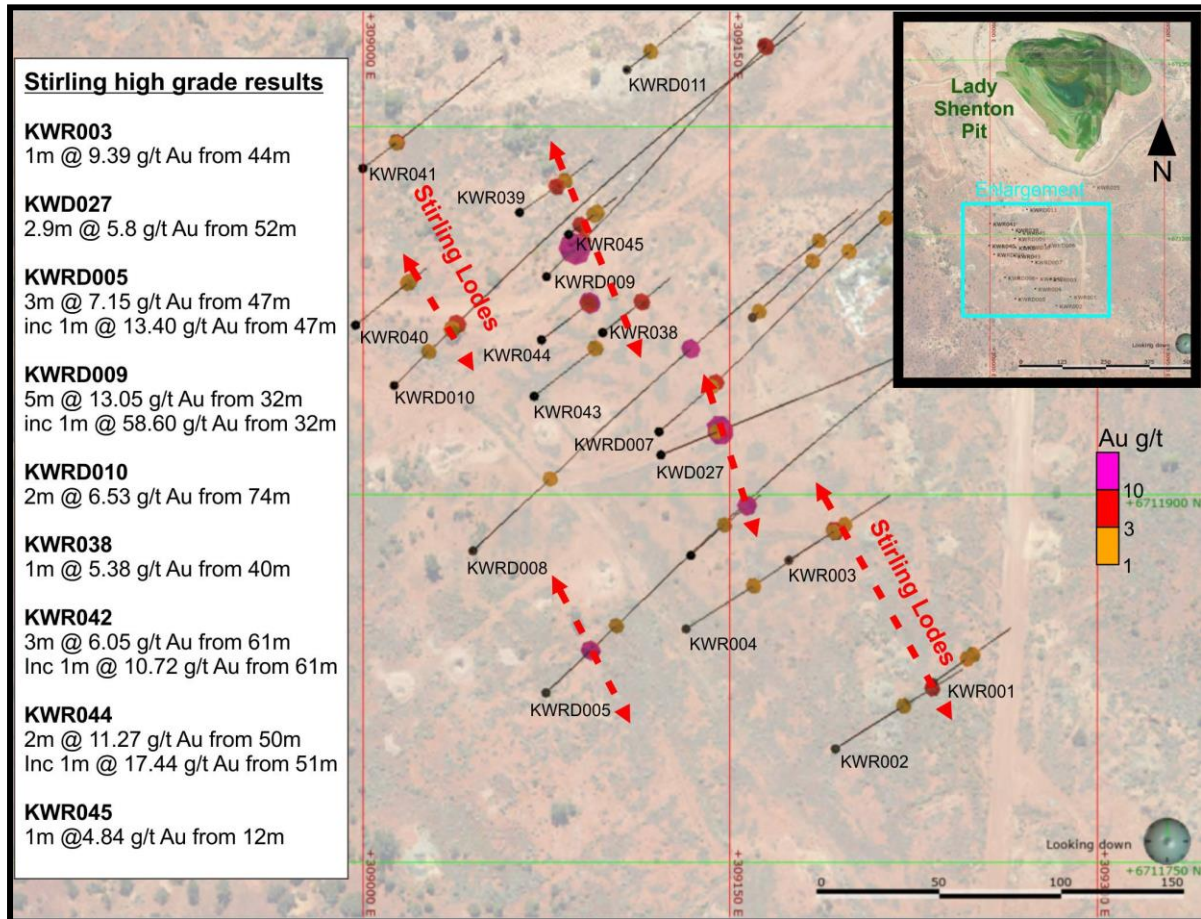
The best intersections were **0.94m @ 36.60g/t Au** from 172.66m in **KWD026** and **1.00m @ 9.11g/t Au** from 375.00m in **KWRD011**.

Eight RC holes (KWR038 – 045) were also completed at the Stirling Prospect, which lies to the west of the Lady Shenton pit and within the Lady Shenton System, for a total of 636 metres. These holes were designed to follow up previous high-grade results including **5m @ 13.1g/t Au from 32m** in KWRD009 and **2.9m @ 5.8g/t Au from 52m** in KWD027.

The best intersections were **3.0m @ 6.05 g/t Au** from 61m, **inc. 1.0m @ 10.72 g/t Au** from 61m in KWR042 and **2.0m @ 11.27 g/t Au** from 50m, **inc. 1.0m @ 17.44 g/t Au** from 51m in KWR044 (Figure 9). These intersections add length and depth extensions to the previous high-grade intersections and enable KWR to complete and initial mineral resource estimation at Stirling.

## DIRECTOR'S REPORT

**For the year ended 30 June 2020**



**Figure 9: Drill hole traces at the Stirling Prospect within the Lady Shenton System and significant intersections projected to surface**

## Central Zone

Nineteen RC holes (KWR026 – 037 and KWR046 - 052) were drilled in the Central Zone for a total of 3,210 metres. This is the first testing of the Central Zone by KWR and was designed to test structural targets that are coincidental with numerous lines of historic workings.

The best intersections were **1.0m @ 7.13 g/t Au** from 16m in KWR030, **3.0m @ 4.19 g/t Au** from 42m, **inc. 1.0m @ 7.37 g/t Au** from 43m in KWR033, **6.0m @ 3.41 g/t Au** from 142m, **inc. 1.0m @ 10.88 g/t Au** from 142m and **1.0m @ 7.85 g/t Au** from 147m in KWR047 and **3.0m @ 6.66 g/t Au** from 24m, **inc. 1.0m @ 10.61 g/t Au** from 24m in KWR048 (Figure 10). These early results confirm that the Central Zone includes numerous mineralised bodies that require further investigation.



# Kingwest Resources Limited

ABN 58 624 972 185

## DIRECTOR'S REPORT

For the year ended 30 June 2020

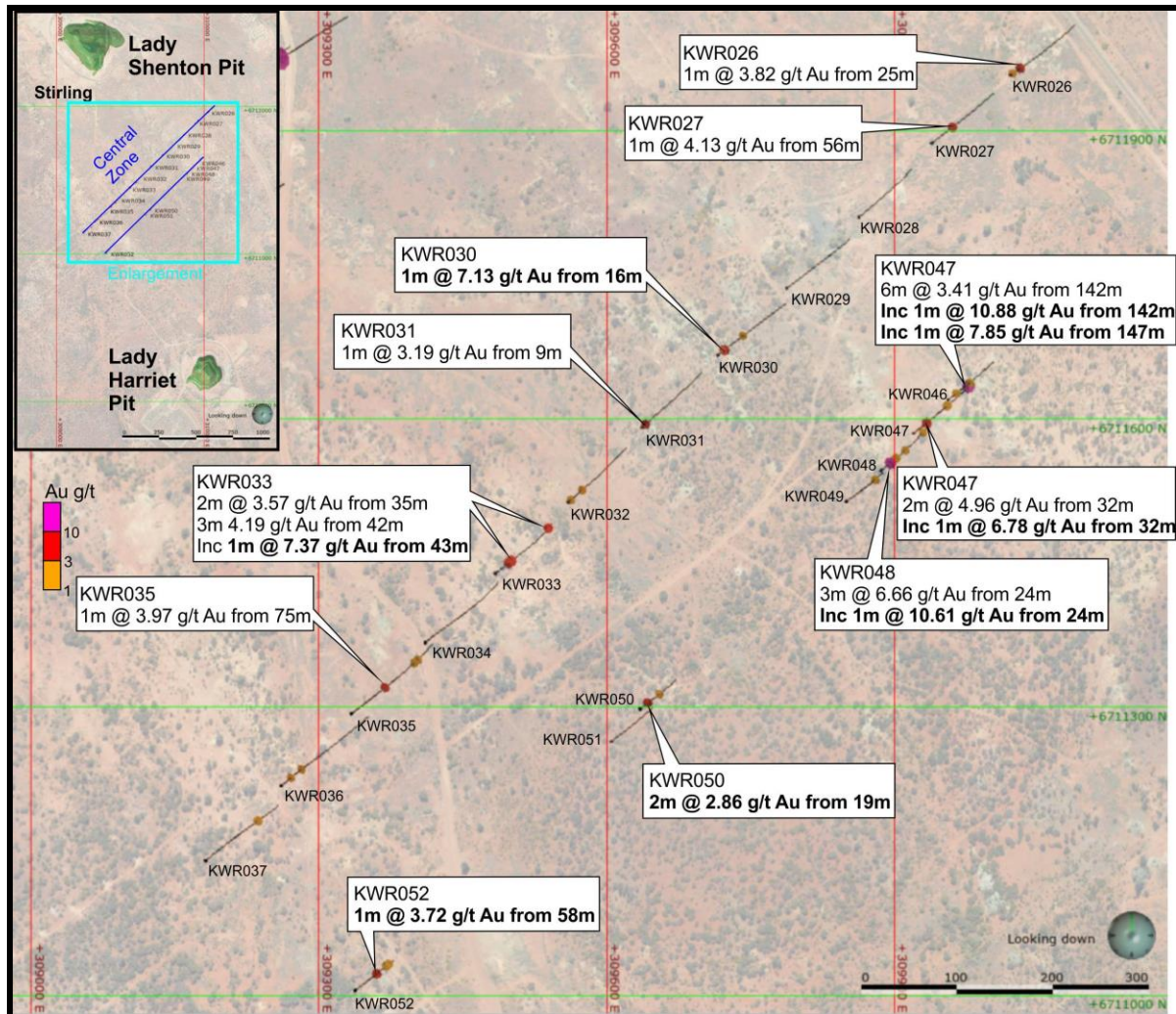


Figure 10: Central Zone RC drill traces with significant intersections projected to surface

**Kingwest Resources Limited**

**ABN 58 624 972 185**

**DIRECTOR'S REPORT**

**For the year ended 30 June 2020**

**Table 2: 2020 Significant intersections (>1.0 g/t Au over 1.0m).**

<b>Hole ID</b>	<b>From</b>	<b>To</b>	<b>Interval</b>	<b>Au g/t</b>	<b>Description</b>
KWR001	32.00	33.00	1.00	1.43	1m @ 1.43 g/t Au from 32m
KWR001	38.00	39.00	1.00	1.51	1m @ 1.51 g/t Au from 38m
KWR002	63.00	66.00	3.00	1.09	3m @ 1.09 g/t Au from 63m
KWR002	90.00	92.00	2.00	2.08	2m @ 2.08 g/t Au from 90m
KWR003	43.00	49.00	6.00	1.96	6m @ 1.96 g/t Au from 43m
<b>Inc.</b>	<b>44.00</b>	<b>45.00</b>	<b>1.00</b>	<b>9.39</b>	<b>Inc 1m @ 9.39 g/t Au from 44m</b>
KWR003	54.00	55.00	1.00	1.12	1m @ 1.12 g/t Au from 54m
KWR004	67.00	70.00	3.00	1.23	3m @ 1.23 g/t Au from 67m
<b>Inc.</b>	<b>67.00</b>	<b>68.00</b>	<b>1.00</b>	<b>2.45</b>	<b>Inc 1m @ 2.45 g/t Au from 67m</b>
<b>KWRD005</b>	<b>47.00</b>	<b>50.00</b>	<b>3.00</b>	<b>7.15</b>	<b>3m @ 7.15 g/t Au from 47m</b>
<b>Inc.</b>	<b>47.00</b>	<b>48.00</b>	<b>1.00</b>	<b>13.40</b>	<b>Inc 1m @ 13.40 g/t Au from 47m</b>
KWRD005	74.00	76.00	2.00	1.19	2m @ 1.19 g/t Au from 74m
KWRD005	423.00	424.00	1.00	2.48	1.00m @ 2.48 g/t Au from 423.00m
KWRD006	67.00	68.00	1.00	1.14	1m @ 1.14 g/t Au from 67m
KWRD006	300.00	301.53	1.53	1.65	1.53m @ 1.65 g/t Au from 300.00m
KWRD006	307.10	308.35	1.25	3.00	1.25m @ 3.00 g/t Au from 307.10m
KWRD007	71.00	73.00	2.00	1.08	2m @ 1.08 g/t Au from 71m
KWRD007	79.00	80.00	1.00	4.04	1m @ 4.04 g/t Au from 79m
KWRD007	293.25	295.00	1.75	1.38	1.75m @ 1.38 g/t Au from 293.25m
KWRD007	346.67	347.33	0.66	1.82	0.66m @ 1.82 g/t Au from 346.67m
KWRD007	379.11	380.46	1.35	1.03	1.35m @ 1.03 g/t Au from 379.11m
KWRD007	464.40	465.63	1.23	6.12	<b>1.23m @ 6.12 g/t Au from 465.40m</b>
<b>Inc.</b>	<b>466.20</b>	<b>466.63</b>	<b>0.43</b>	<b>15.30</b>	<b>0.43m @ 15.30 g/t Au from 466.20m</b>
KWRD008	102.00	103.00	1.00	1.05	1m @ 1.05 g/t Au from 102m
<b>KWRD008</b>	<b>288.60</b>	<b>289.10</b>	<b>0.50</b>	<b>11.30</b>	<b>0.50m @ 11.30 g/t Au from 288.60m</b>
KWRD008	439.72	440.68	0.96	1.02	0.96m @ 1.02 g/t Au from 439.72m
<b>KWRD009</b>	<b>32.00</b>	<b>37.00</b>	<b>5.00</b>	<b>13.05</b>	<b>5m @ 13.05 g/t Au from 32m</b>
<b>Inc.</b>	<b>32.00</b>	<b>33.00</b>	<b>1.00</b>	<b>58.60</b>	<b>Inc 1m @ 58.60 g/t Au from 32m</b>
KWRD009	42.00	43.00	1.00	3.35	1m @ 3.35 g/t Au from 42m
KWRD009	283.37	283.72	0.35	8.20	<b>0.35m @ 8.20 g/t Au from 283.37m</b>
KWRD010	40.00	41.00	1.00	1.62	1m @ 1.62 g/t Au from 40m
KWRD010	67.00	69.00	2.00	2.56	2m @ 2.56 g/t Au from 67m
<b>KWRD010</b>	<b>74.00</b>	<b>76.00</b>	<b>2.00</b>	<b>6.53</b>	<b>2m @ 6.53 g/t Au from 74m</b>
KWRD011	24.00	25.00	1.00	2.34	1m @ 2.34 g/t Au from 24m
KWRD011	215.91	218.32	2.41	2.68	2.41m @ 2.68 g/t Au from 215.91m
KWRD011	251.00	252.00	1.00	1.10	1.00m @ 1.10 g/t Au from 251.00m
KWRD011	280.00	280.70	0.70	5.72	<b>0.70m @ 5.72 g/t Au from 280.00m</b>
KWRD011	372.30	376.00	3.70	3.30	3.70m @ 3.30 g/t Au from 372.30m

**Kingwest Resources Limited**

**ABN 58 624 972 185**

**DIRECTOR'S REPORT**

**For the year ended 30 June 2020**

Hole ID	From	To	Interval	Au g/t	Description
<b>Inc.</b>	<b>375.00</b>	<b>376.00</b>	<b>1.00</b>	<b>9.11</b>	<b>1.00m @ 9.11 g/t Au from 375.00m</b>
KWD023	131.19	131.64	0.45	5.01	0.45m @ 5.01 g/t Au from 131.19m
KWD023	198.92	202.00	3.08	1.93	3.08m @ 1.93 g/t Au from 198.9m
Inc.	198.92	200.00	1.08	3.71	1.08m @ 3.71 g/t Au from 198.92m
KWD023	321.40	322.00	0.60	2.21	0.60m @ 2.21 g/t Au from 321.40m
KWD026	150.50	151.50	1.00	1.01	1.00m @ 1.01 g/t Au from 150.50m
<b>KWD026</b>	<b>172.66</b>	<b>173.60</b>	<b>0.94</b>	<b>36.60</b>	<b>0.94m @ 36.60 g/t Au from 172.66m</b>
<b>KWRD014</b>	<b>731.47</b>	<b>732.50</b>	<b>1.03</b>	<b>25.40</b>	<b>1.03m @ 25.40 g/t Au from 733.47m</b>
KWRD014W2	752.7	753.5	0.8	3.61	0.80m @ 3.61 g/t Au from 752.70m
KWRD014W2	735.71	736.39	0.68	5.10	0.68m @ 5.10 g/t Au from 735.71m
KWRD014W2	756.41	758.48	2.07	2.19	2.07m @ 2.19 g/t Au from 756.41m
KWRD014W3	759.22	760.32	1.10	5.74	<b>1.10m @ 5.74 g/t Au from 759.22m</b>
KWRD014W3	778.86	779.86	1.00	2.53	1.00m @ 2.53 g/t Au from 778.86m
KWRD014W3	785.78	786.80	1.02	3.66	1.02m @ 3.66 g/t Au from 785.78m
KWRD015	125.21	126.07	0.86	5.90	<b>0.86m @ 5.90 g/t Au from 125.21m</b>
KWRD016	82.67	85.24	2.57	1.90	2.57m @ 1.90 g/t Au from 82.67m
KWRD017	96.80	97.80	1.00	1.69	1.00m @ 1.69 g/t Au from 96.80m
KWRD017	114.60	115.80	1.20	1.53	1.20m @ 1.53 g/t Au from 114.60m
KWRD018	112.96	114	1.04	2.13	1.04m @ 2.13 g/t Au from 112.96m
KWRD018	119.25	120.49	1.24	1.77	1.24m @ 1.77 g/t Au from 119.25m
KWRD019	87.00	88.00	1.00	1.43	1.00m @ 1.43 g/t Au from 87.00m
KWRD019	106.35	107.2	0.85	2.02	0.85m @ 2.02 g/t Au from 106.35m
<b>KWRD019</b>	<b>108.20</b>	<b>108.95</b>	<b>0.75</b>	<b>33.47</b>	<b>0.75m @ 33.47 g/t Au from 108.20m</b>
<b>Inc.</b>	<b>108.65</b>	<b>108.95</b>	<b>0.30</b>	<b>79.40</b>	<b>0.30m @ 79.40 g/t Au from 108.65m</b>
KWRD020	92.36	97.00	4.64	1.56	4.64m @ 1.56 g/t Au from 92.36m
KWRD020	124.40	125.30	0.90	4.78	0.90m @ 4.78 g/t Au from 124.40m
KWRD020	128.00	128.90	0.90	6.35	0.90m @ 6.35 g/t Au from 128.00m
KWR021	210.00	211.00	1.00	3.67	1m @ 3.67 g/t Au from 210m
KWR022	194.00	195.00	1.00	3.65	1m @ 3.65 g/t Au from 194m
<b>KWR022</b>	<b>206.00</b>	<b>207.00</b>	<b>1.00</b>	<b>5.46</b>	<b>1m @ 5.46 g/t Au from 206m</b>
<b>KWR023</b>	<b>180.00</b>	<b>183.00</b>	<b>3.00</b>	<b>158.4</b>	<b>3m @ 158.4 g/t Au from 180m</b>
<b>KWR023</b>	<b>180.00</b>	<b>182.00</b>	<b>2.00</b>	<b>237.5</b>	<b>Inc. 2m @ 237.5 g/t Au from 180m</b>
KWR023	204.00	205.00	1.00	1.65	1m @ 1.65 g/t Au from 204m
KWR024A	187.00	188.00	1.00	2.50	1m @ 2.50 g/t Au from 187m
KWR024A	204.00	207.00	3.00	2.25	3m @ 2.25 g/t Au from 204m
Inc.	206.00	207.00	1.00	4.67	Inc 1m @ 4.67 g/t Au from 206m
KWR024A	256.00	258.00	2.00	2.74	2m @ 2.74 g/t Au from 256m
KWR026	25.00	26.00	1.00	3.82	1m @ 3.82 g/t Au from 25m
KWR027	56.00	57.00	1.00	4.13	1m @ 4.13 g/t Au from 56m

**Kingwest Resources Limited**

**ABN 58 624 972 185**

**DIRECTOR'S REPORT**

**For the year ended 30 June 2020**

<b>Hole ID</b>	<b>From</b>	<b>To</b>	<b>Interval</b>	<b>Au g/t</b>	<b>Description</b>
<b>KWR030</b>	<b>16.00</b>	<b>17.00</b>	<b>1</b>	<b>7.13</b>	<b>1m @ 7.13 g/t Au from 16m</b>
KWR030	63.00	64.00	1	1.22	1m @ 1.22 g/t Au from 63m
KWR031	9.00	10.00	1	3.19	1m @ 3.19 g/t Au from 9m
KWR032	7.00	8.00	1	1.32	1m @ 1.32 g/t Au from 7m
KWR032	38.00	40.00	2	1.28	2m @ 1.28 g/t Au from 38m
KWR033	35.00	37.00	2	3.57	2m @ 3.57 g/t Au from 35m
KWR033	42.00	45.00	3	4.19	3m @ 4.19 g/t Au from 42m
<b>Inc.</b>	<b>43.00</b>	<b>44.00</b>	<b>1</b>	<b>7.37</b>	<b>Inc 1m @ 7.37 g/t Au from 43m</b>
KWR033	174.00	175.00	1	3.39	1m @ 3.39 g/t Au from 174m
KWR035	75.00	76.00	1	3.97	1m @ 3.97 g/t Au from 75m
KWR035	143.00	144.00	1	1.18	1m @ 1.18 g/t Au from 143m
KWR035	153.00	155.00	2	1.5	2m @ 1.50 g/t Au from 153m
KWR036	22.00	23.00	1	1.11	1m @ 1.11 g/t Au from 22m
KWR036	45.00	46.00	1	2.07	1m @ 2.07 g/t Au from 45m
KWR037	134.00	137.00	3	1.39	3m @ 1.39 g/t Au from 134m
<b>KWR038</b>	<b>40.00</b>	<b>41.00</b>	<b>1</b>	<b>5.38</b>	<b>1m @ 5.38 g/t Au from 40m</b>
KWR039	38.00	39.00	1	3.82	1m @ 3.82 g/t Au from 38m
KWR039	47.00	48.00	1	2.02	1m @ 2.02 g/t Au from 47m
KWR040	56.00	57.00	1	1.36	1m @ 1.36 g/t Au from 56m
KWR040	59.00	60.00	1	1.01	1m @ 1.01 g/t Au from 59m
KWR041	34	36	2	2.33	2m @ 2.33 g/t Au from 34m
KWR042	37	38	1	1.68	1m @ 1.68 g/t Au from 37m
<b>KWR042</b>	<b>61</b>	<b>64</b>	<b>3</b>	<b>6.05</b>	<b>3m @ 6.05 g/t Au from 61m</b>
<b>Inc.</b>	<b>61</b>	<b>62</b>	<b>1</b>	<b>10.72</b>	<b>Inc 1m @ 10.72 g/t Au from 61m</b>
KWR043	64	66	2	1.51	2m @ 1.51 g/t Au from 64m
<b>KWR044</b>	<b>50</b>	<b>52</b>	<b>2</b>	<b>11.27</b>	<b>2m @ 11.27 g/t Au from 50m</b>
<b>Inc.</b>	<b>51</b>	<b>52</b>	<b>1</b>	<b>17.44</b>	<b>Inc 1m @ 17.44 g/t Au from 51m</b>
KWR045	12	13	1	4.84	1m @ 4.84 g/t Au from 12m
KWR045	25	27	2	1.34	2m @ 1.34 g/t Au from 25m
KWR045	29	30	1	1.30	1m @ 1.30 g/t Au from 29m
KWR046	18	19	1	2.24	1m @ 2.24 g/t Au from 18m
KWR046	48	50	2	1.39	2m @ 1.39 g/t Au from 48m
<b>KWR047</b>	<b>32</b>	<b>34</b>	<b>2</b>	<b>4.96</b>	<b>2m @ 4.96 g/t Au from 32m</b>
<b>Inc.</b>	<b>32</b>	<b>33</b>	<b>1</b>	<b>6.78</b>	<b>Inc 1m @ 6.78 g/t Au from 32m</b>
KWR047	83	87	4	1.13	4m @ 1.13 g/t Au from 83m
KWR047	142	148	6	3.41	6m @ 3.41 g/t Au from 142m
<b>Inc.</b>	<b>142</b>	<b>143</b>	<b>1</b>	<b>10.88</b>	<b>Inc 1m @ 10.88 g/t Au from 142m</b>
<b>Inc.</b>	<b>147</b>	<b>148</b>	<b>1</b>	<b>7.85</b>	<b>Inc 1m @ 7.85 g/t Au from 147m</b>
<b>KWR048</b>	<b>24</b>	<b>27</b>	<b>3</b>	<b>6.66</b>	<b>3m @ 6.66 g/t Au from 24m</b>
<b>Inc.</b>	<b>24</b>	<b>25</b>	<b>1</b>	<b>10.61</b>	<b>Inc 1m @ 10.61 g/t Au from 24m</b>

**Kingwest Resources Limited**

**ABN 58 624 972 185**

**DIRECTOR'S REPORT**

**For the year ended 30 June 2020**

Hole ID	From	To	Interval	Au g/t	Description
KWR048	38	41	3	1.10	3m @ 1.10 g/t Au from 38m
KWR048	65	66	1	1.51	1m @ 1.51 g/t Au from 65m
KWR048	124	125	1	1.07	1m @ 1.07 g/t Au from 124m
KWR049	73	74	1	2.08	1m @ 2.08 g/t Au from 73m
KWR050	19	21	2	2.86	2m @ 2.86 g/t Au from 19m
KWR050	50	51	1	1.34	1m @ 1.34 g/t Au from 50m
KWR052	58	59	1	3.72	1m @ 3.72 g/t Au from 58m
KWR052	85	86	1	2.92	1m @ 2.92 g/t Au from 85m
KWR052	92	93	1	2.94	1m @ 2.94 g/t Au from 92m

**Table 3: 2020 Completed drill hole details.**

Prospect	Drillhole ID	Easting	Northing	Elevation (m RL)	Dip	Azimuth	Completed depth	Comments
Lady Shenton	KWR001	309233	6711823	427	60	55	74	RC only
Lady Shenton	KWR002	309193	6711796	425	60	55	122	RC only
Lady Shenton	KWR003	309174	6711873	427	60	55	100	RC only
Lady Shenton	KWR004	309132	6711845	426	60	55	118	RC only
Lady Shenton	KWRD005	309075	6711819	424	60	45	452.54	RC with diamond tail
Lady Shenton	KWRD006	309159	6711972	426	60	45	397.06	RC with diamond tail
Lady Shenton	KWRD007	309121	6711926	429	67	45	492.05	RC with diamond tail
Lady Shenton	KWRD008	309045	6711877	423	65	45	484.27	RC with diamond tail
Lady Shenton	KWRD009	309075	6711989	427	60	45	447.78	RC with diamond tail
Lady Shenton	KWRD010	309013	6711944	426	60	45	450.85	RC with diamond tail
Lady Shenton	KWRD011	309108	6712073	426	60	50	428.07	RC with diamond tail
Yunndaga	KWR012	311950	6706988	408	-60	55	130	RC only
Yunndaga	KWR013	311923	6707030	413	-60	55	136	RC only
Yunndaga	KWRD014	311725	6706285	412	-72	30	835.10	RC with diamond tail
Yunndaga	KWRD014W2	311725	6706285	412	-72	30	778.10	Diamond tail (wedge off KWRD014 from 294.10m)
Yunndaga	KWRD014W3	311725	6706285	412	-72	30	835.00	Diamond tail (wedge off KWRD014W2 from 490.20m)



**Kingwest Resources Limited**

**ABN 58 624 972 185**

**DIRECTOR'S REPORT**

**For the year ended 30 June 2020**

Prospect	Drillhole ID	Easting	Northing	Elevation (m RL)	Dip	Azimuth	Completed depth	Comments
Yunndaga	KWRD015	311910	6707022	413	-70	55	100	RC with diamond tail
Yunndaga	KWRD016	311880	6707061	407	-50	55	148.00	RC with diamond tail
Yunndaga	KWRD017	311874	6707058	406	-60	55	160.32	RC with diamond tail
Yunndaga	KWRD018	311868	6707054	406	-70	55	172.41	RC with diamond tail
Yunndaga	KWRD019	311832	6707100	415	-55	50	169.35	RC with diamond tail
Yunndaga	KWRD020	311832	6707100	414	-65	50	169.28	RC with diamond tail
First Hit	KWR021	308382	6713641	424	-67	60	322	RC only
First Hit	KWR022	308374	6713675	430	-67	60	296	RC only
First Hit	KWR023	308367	6713703	424	-67	65	296	RC only
First Hit	KWR024A	308339	6713725	429	-65	70	320	RC only
Lady Shenton	KWD023	309203	6712152	429	-60	55	344.50	RC (2019) with diamond tail
Lady Shenton	KWD026	309235	6712100	429	-60	55	374.40	RC with diamond tail (2019)
Lady Shenton	KWR025	309300	6712138	430	-60	50	200	RC only
Central Zone	KWR026	310021	6711958	430	-60	50	200	RC only
Central Zone	KWR027	309939	6711887	430	-60	50	200	RC only
Central Zone	KWR028	309863	6711810	430	-60	50	200	RC only
Central Zone	KWR029	309788	6711736	430	-60	50	198	RC only
Central Zone	KWR030	309716	6711666	430	-60	50	198	RC only
Central Zone	KWR031	309637	6711591	430	-60	50	198	RC only
Central Zone	KWR032	309560	6711513	430	-60	50	198	RC only
Central Zone	KWR033	309484	6711439	430	-60	50	198	RC only
Central Zone	KWR034	309411	6711367	430	-60	50	198	RC only
Central Zone	KWR035	309334	6711293	430	-60	50	198	RC only
Central Zone	KWR036	309261	6711218	430	-60	50	198	RC only
Central Zone	KWR037	309182	6711140	430	-55	50	198	RC only
Stirling	KWR038	309098	6711936	428	-55	50	72	RC only
Stirling	KWR039	309064	6712015	428	-60	50	78	RC only
Stirling	KWR040	308997	6711969	428	-60	50	78	RC only
Stirling	KWR041	309000	6712033	428	-60	50	150	RC only
Stirling	KWR042	309134	6711875	428	-60	50	78	RC only
Stirling	KWR043	309070	6711940	428	-60	50	72	RC only
Stirling	KWR044	309073	6711963	428	-60	50	60	RC only
Stirling	KWR045	309084	6712006	428	-60	50	48	RC only

**Kingwest Resources Limited****ABN 58 624 972 185****DIRECTOR'S REPORT****For the year ended 30 June 2020**

Prospect	Drillhole ID	Easting	Northing	Elevation (m RL)	Dip	Azimuth	Completed depth	Comments
Central Zone	KWR046	309956	6711620	435	-55	50	102	RC only
Central Zone	KWR047	309920	6711585	435	-60	50	156	RC only
Central Zone	KWR048	309886	6711546	435	-60	50	150	RC only
Central Zone	KWR049	309850	6711514	435	-60	50	102	RC only
Central Zone	KWR050	309635	6711298	435	-60	50	102	RC only
Central Zone	KWR051	309605	6711264	430	-60	50	108	RC only
Central Zone	KWR052	309338	6711005	429	-60	50	108	RC only

**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 and Goongarrie Deposits 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.*

# Kingwest Resources Limited

ABN 58 624 972 185

## DIRECTOR'S REPORT

For the year ended 30 June 2020

---

### Events after the Reporting Period

On 10 August 2020 the Company announced it had agreed terms to dispose of two non-core assets being Goongarrie Lady (M29/420) for \$1,900,000 and it's Crawfords and Gambier Lass Project (M27/1202, E37/893 and P37/8901) for \$190,000.

On 25 August 2020 the Company lodged a prospectus for a 1 for 5 non-renounceable rights issue to raise \$3,291,445 (before costs) through the issue of 24,381,075 ordinary shares at \$0.135 per share. The rights issue is fully underwritten and completion of the rights issue and issue of the shares is expected to occur on or about 18 September 2020.

No other matter or circumstance has arisen since the end of audited period which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

### Information on Directors

The names of directors who held office from incorporation until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

#### **Mr Adrian Byass *BSc Geol Hons, B. Econ, FSEG and MAIG*** **Non-Executive Chairman (Appointed 18 September 2019)**

Mr Byass has over 20 years' experience in the mining and minerals industry. This experience has principally been gained through evaluation and development of mining projects for a range of base, precious and specialty metals and bulk commodities. Due to his experience in resource estimation and professional association membership, Mr Byass is a competent person for reporting to the ASX for certain minerals. Mr Byass has also gained experience in corporate finance, capital raising, permitting and delivery of production-ready mining projects.

Mr Byass is an executive director of Infinity Lithium Corporation and is a non-executive director of Galena Mining Limited, Kaiser Reef Limited and Sarama Resources Limited. Mr Byass was previously a Director of Fertoz Limited (resigned 22 June 2020).

#### *Interest in Securities*

- 1,150,000 fully paid ordinary shares
- 1,000,000 unlisted options exercisable at \$0.39 on 30/06/2022
- 2,000,000 unlisted options exercisable at \$0.54 on 30/06/2022
- 750,000 share appreciation rights with a strike price of \$0.28 expiring 7 October 2024

#### **Stephen Brockhurst BCom**

#### **Non-Executive Director (Appointed 13 March 2018)**

Mr Brockhurst has 18 years' experience in the finance and corporate advisory industry and has been responsible for the preparation of the due diligence process and prospectuses on a number of initial public offers. His experience includes corporate and capital structuring, corporate advisory and company secretarial services, capital raising, ASX and ASIC compliance requirements.

Mr Brockhurst has served on the board and acted as Company Secretary for numerous ASX listed companies. He is currently a Director of Estrella Resources Limited and Nelson Resources Limited. Mr Brockhurst was previously a Director of Roto-Gro International Limited (resigned 5 February 2018).

#### *Interest in Securities*

- 200,000 fully paid ordinary shares

# Kingwest Resources Limited

ABN 58 624 972 185

## DIRECTOR'S REPORT

For the year ended 30 June 2020

---

- 1,000,000 options exercisable at \$0.20 on 30/06/2021. 500,000 of these options are held by Mining Corporate Pty Ltd, a company of which Mr. Brockhurst is a director and shareholder
- 250,000 share appreciation rights with a strike price of \$0.28 expiring 7 October 2024. 100,000 of these options are held by Mining Corporate Pty Ltd, a company of which Mr. Brockhurst is a director and shareholder

### **Jonathan Downes BSc Geol, MAIG**

**Non-Executive Director (Appointed 26 November 2019)**

Mr Downes has over 25 years' experience in the minerals industry and has worked in various geological and corporate capacities. Experienced with nickel, gold and base metals, he has also been intimately involved with the exploration process through to production.

Mr Downes is on the board of several ASX-listed companies; he is currently an executive director of Kaiser Reef Limited and non-executive director of Galena Mining Limited and Corazon Mining Limited. Mr Downes was previously a Director of Ironbark Zinc Limited (resigned 30 November 2019).

#### *Interest in Securities*

- 1,533,334 fully paid ordinary shares
- 1,000,000 unlisted options exercisable at \$0.39 on 30/06/2022
- 2,000,000 unlisted options exercisable at \$0.54 on 30/06/2022
- 750,000 share appreciation rights with a strike price of \$0.28 expiring 7 October 2024

### **Jonathan Price BSc (Env Science), Grad Dip (Metallurgy) MSc (Mineral Economics) , MAusIMM, MAICD**

**Non-Executive Director (Appointed 18 September 2019)**

Mr Price has over 30 years' experience in Australia and overseas across all aspects of the industry including exploration, development, construction and mining operations in the gold and advanced minerals sectors. Jon graduated as a metallurgist and holds a Masters in Mineral Economics from the Western Australian School of Mines. He then worked in various gold and advanced mineral operations including general manager of the Paddington gold and St Ives gold operations in the Western Australian goldfields. More recently Jon was the founding Managing Director of Phoenix Gold Ltd, acquired by Evolution Mining Ltd. During his tenure, Jon oversaw the reconsolidation of underexplored tenure in the Western Australian goldfields and realised significant exploration success.

Mr Price is currently the Managing Director of Horizon Minerals Limited.

#### *Interest in Securities*

- Nil

### **Stephen Woodham**

**Former CEO / Executive Director (Appointed 13 March 2018, resigned 26 November 2019)**

Mr Woodham has over 30 years' experience in the mining and exploration industry in Western Australia and New South Wales. His area of specialisation includes field logistics and support and land access in rural and remote environments. He also has an extensive track record of tenement acquisition, mining investment and commercial and cross-cultural negotiation. Mr Woodham was a founding director of Centaurus Resources, and managing director of Tellus Resources. His specialisation includes field logistics and support and land access in rural and remote environments. He also has an extensive track record of tenement acquisition, mining investment and commercial and cross-cultural negotiation. Mr Woodham was a founding director of Centaurus Resources, and managing director of Tellus Resources.

# **Kingwest Resources Limited**

**ABN 58 624 972 185**

## **DIRECTOR'S REPORT**

**For the year ended 30 June 2020**

---

**Peter Bennetto *GAICD, SA Fin***

**Former Non-Executive Chairman (Appointed 20 April 2018, resigned 18 September 2019)**

Mr Bennetto has over 30 years' experience in banking and investment. Peter has held a number of company director positions in mining, technology and manufacturing companies listed on the ASX since 1990.

### **Information on Other Management**

**Edward Turner B App Sc (Geol), MAIG**

**Chief Executive Officer (Appointed 18 September 2019)**

Mr Turner has 30 years' experience as a Geologist in Europe, South America, Africa and Australia. His roles have covered exploration and development of base, precious and specialty metals for leading mining companies. Mr Turner has extensive experience in the economic studies of base-metal deposits in open-pit and underground scenarios and related mining experience.

**David McEntaggart BCom, CA, GIA**

**Corporate Secretary (Appointed 1 October 2018)**

Mr McEntaggart is a Chartered Accountant and Chartered Secretary with over 15 years' experience in the resource industry and accounting profession in Australia and the UK. He provides services to a number of ASX listed companies specialising in financial accounting and corporate compliance.

### **REMUNERATION REPORT (AUDITED)**

The remuneration report, which forms part of the Directors' Report, outlines the remuneration arrangements in place for key management personnel (KMP) who are defined as those persons having the authority and responsibility for planning and directing the major activities of the Group, directly and indirectly, including any director (whether executive or otherwise).

#### **Remuneration Philosophy**

The performance of the Group depends on the quality of the Company's Directors, executives and employees and therefore the Group must attract, motivate and retain appropriately qualified industry personnel.

#### **Remuneration policy**

Remuneration levels for the executives are competitively set to attract the most qualified and experienced candidates, taking into account prevailing market conditions and the individual's experience and qualifications.

During the year, the Group did not have a separately established remuneration committee. The Board is responsible for determining and reviewing remuneration arrangements for the executive and non-executive Directors.

The remuneration of executive and non-executive Directors is not dependent on the satisfaction of performance conditions. Remuneration and share based payments are issued to align Directors' interest with that of shareholders.

#### **CEO Remuneration**

Mr Turner was appointed CEO on 18 September 2019. His employment is in accordance with an Executive Employment Agreement dated 17 September 2019 on an ongoing basis subject to termination and notice. Mr Turner is entitled to receive \$225,000 per annum (plus superannuation). The Company or Mr Turner may terminate the agreement by providing 3 months' notice in writing.

Mr Woodham was appointed as a Director on 13 March 2018 and CEO on 17 May 2018. His employment conditions were governed by an Executive Services Agreement dated 16 May 2018. The terms of agreement can be terminated by either party providing one (1) month written notice or a mutually agreed period by both parties. Mr Woodham was entitled to receive \$180,000 per annum (inclusive of statutory superannuation). On 18 September

# Kingwest Resources Limited

ABN 58 624 972 185

## DIRECTOR'S REPORT

For the year ended 30 June 2020

2019 Mr Woodham resigned as CEO but remained a Non-Executive Director with his remuneration changing to \$40,000 per annum (exclusive of superannuation). Mr Woodham resigned as a Director on 26 November 2019.

### Non-Executive Directors Remuneration

Mr Bennetto was appointed Non-Executive Chairman on 20 April 2018 and resigned on 18 September 2019. Mr Byass was appointed Non-Executive Chairman on 18 September 2019. Both Mr Bennetto and Mr Byass are entitled to receive \$60,000 per annum (exclusive of superannuation) for their role of Chairman. Mr Brockhurst, Mr Downes and Mr Price are entitled to receive \$40,000 per annum (exclusive of superannuation) for their role as Non-Executive Directors.

The Company's Constitution provides that the remuneration of Non-Executive Directors will not be more than the aggregate fixed sum determined by a general meeting. Before a determination is made by the Company in a general meeting, the aggregate sum of fees payable by the Company to the Non-Executive Directors is a maximum of \$250,000 per annum. Summary details of remuneration of the Non-Executive Directors are provided in the table below. The remuneration is not dependent on the satisfaction of a performance condition.

Directors are entitled to be paid reasonable travelling, accommodation and other expenses incurred in consequence of their attendance at meetings of Directors and otherwise in the execution of their duties as Directors. A Director may also be paid additional amounts as fees or as the Directors determine where a Director performs extra services or makes any special exertions, which in the option of the Directors are outside the scope of the ordinary duties of a Director.

### Relationship between the Remuneration Policy and Company Performance:

	30 June 2020	30 June 2019	30 June 2018
	\$	\$	\$
Revenue	30,488	44,413	-
Profit/(loss) after income tax	(5,263,017)	(966,122)	(590,441)
Basic and diluted loss per share (cents)	(5.34)	(2.12)	(6.89)
EBIT	(5,271,682)	(1,006,714)	(588,532)
EBITDA	(5,242,588)	(1,011,732)	(588,532)
Share price at reporting date	\$0.15	\$0.13	n/a

# Kingwest Resources Limited

ABN 58 624 972 185

## DIRECTOR'S REPORT

For the year ended 30 June 2020

### Details of remuneration

Details of the nature and amount of each element of the emoluments of each of the Directors and Key Management Personnel of the Group for the year ended 30 June 2020 and 30 June 2019 are:

#### 2020

Key Management Person	Short-term Benefits		Post-employment Benefits	Other Long-term Benefits	Equity-settled share based Payments		Total	Performance based as a percentage of Remuneration
	Cash, salary & bonus	Other	Super-annuation	Other	Equity	Share Appreciation Rights		
\$		\$	\$	\$	\$	\$	%	
Directors								
Adrian Byass <sup>1</sup>	47,167	-	-	-	-	49,824	96,991	51%
Stephen Brockhurst	40,000	-	-	-	-	16,608	56,608	29%
Jonathan Downes <sup>2</sup>	23,889	-	2,269	-	-	-	26,158	0%
Jonathan Price <sup>1</sup>	31,444	-	2,987	-	-	-	34,433	0%
Stephen Woodham <sup>4</sup>	54,759	-	4,386	-	-	-	59,145	0%
Peter Bennetto <sup>3</sup>	13,000	-	1,235	-	-	-	14,235	0%
Executive								
Ed Turner <sup>1</sup>	165,726	-	15,744	-	-	64,505	245,975	26%
TOTAL	375,985	-	26,622	-	-	130,937	533,543	

<sup>1</sup> Appointed 18 September 2019

<sup>2</sup> Appointed 26 November 2019

<sup>3</sup> Resigned 18 September 2019

<sup>4</sup> Resigned 26 November 2019

#### 2019

Key Management Person	Short-term Benefits		Post-employment Benefits	Other Long-term Benefits	Equity-settled share based Payments		Total	Performance based as a percentage of Remuneration
	Cash, salary & bonus	Other	Super-annuation	Other	Equity	Options		
	\$		\$	\$	\$	\$	\$	%
Directors								
Peter Bennetto	59,833	-	5,684	-	-	-	65,517	0%
Stephen Woodham	179,913 <sup>1</sup>	31,200	14,622	-	-	-	225,735	0%
Stephen Brockhurst	40,000	-	-	-	-	-	40,000	0%
TOTAL	279,746	31,200	20,306	-	-	-	331,252	0%

**Kingwest Resources Limited****ABN 58 624 972 185****DIRECTOR'S REPORT****For the year ended 30 June 2020**

<sup>1</sup> Includes consulting fees paid to Locksley Holdings Pty Ltd of \$26,000, a company in which Mr Woodham is a director and beneficiary. The fees are based on a daily rate for Mr Woodham's role as CEO and Director prior to the Company commencing listing on the ASX.

**Options and Rights Over Equity Instruments Granted as Compensation**

Details of options and rights over equity instruments in the Company that were granted as compensation during the financial year ended 30 June 2020 to each key management person are as follows:

Director/Key Management Personnel	Type	Number	Grant Date	Fair Value per Security	Strike Price	Expiry Date	Number Vested
Adrian Byass	Share Appreciation Rights	750,000	25-11-2019	\$0.13	\$0.28	07-10-2024	-
Stephen Brockhurst	Share Appreciation Rights	250,000	25-11-2019	\$0.13	\$0.28	07-10-2024	-
Ed Turner	Share Appreciation Rights	750,000	07-10-2019	\$0.16	\$0.28	07-10-2024	-

**Transactions with related parties**

Transactions between related parties are on commercial terms and conditions, no more favourable than those available to other parties unless otherwise stated.

	\$ 2020	\$ 2019
<i>Mining Corporate Pty Ltd – related party to Stephen Brockhurst</i>		
Transaction facilitation services, company secretarial, accounting and bookkeeping services during the year	134,812	136,269
Total during the year	134,812	136,269

**Outstanding balances arising from transactions**

	\$ 2020	\$ 2019
<i>Mining Corporate Pty Ltd – related party to Stephen Brockhurst</i>		
Company secretarial, accounting and bookkeeping services	8,976	11,436
Total payable at the end of the reporting year	8,976	11,436

**Loan to Directors and their related parties**

No loans have been made to any Director or any of their related parties during the year. There were no further transactions with Directors including their related parties other than those disclosed above.



**Kingwest Resources Limited****ABN 58 624 972 185****DIRECTOR'S REPORT****For the year ended 30 June 2020****KMP Shareholdings**

The number of ordinary shares in Kingwest Resources Limited held by each KMP of the Company during the financial year is as follows:

	<b>Balance at beginning of year</b>	<b>Granted as remuneration during the year</b>	<b>Issued on exercise of options during the year</b>	<b>Other changes during the year</b>	<b>Balance at end of year</b>
<b>30 June 2020</b>					
Adrian Byass	-	-	-	1,150,000	1,150,000
Stephen Brockhurst	-	-	-	200,000	200,000
Jonathan Downes	-	-	-	1,533,334	1,533,334
Jonathan Price	-	-	-	-	-
Stephen Woodham	500,000	-	-	(500,000)	-
Peter Bennetto	-	-	-	-	-
Ed Turner	-	-	-	400,000	400,000
	500,000	-	-	2,783,334	3,283,334

	<b>Balance at beginning of year</b>	<b>Granted as remuneration during the year</b>	<b>Issued on exercise of options during the year</b>	<b>Other changes during the year</b>	<b>Balance at end of year</b>
<b>30 June 2019</b>					
Peter Bennetto	-	-	-	-	-
Stephen Woodham	500,000	-	-	-	500,000
Stephen Brockhurst	-	-	-	-	-
	500,000	-	-	-	500,000

# Kingwest Resources Limited

ABN 58 624 972 185

## DIRECTOR'S REPORT

For the year ended 30 June 2020

### KMP Options Holdings

The number of options over ordinary shares held during the financial year by each KMP of the Company is as follows:

	Balance at beginning of year	Granted during the year	Exercised during the year	Other changes during the year	Balance at end of year	Vested
<b>30 June 2020</b>						
Adrian Byass	-	-	-	3,000,000	3,000,000	3,000,000
Stephen Brockhurst	1,000,000	-	-	-	1,000,000	1,000,000
Jonathan Downes	-	-	-	3,000,000	3,000,000	3,000,000
Jonathan Price	-	-	-	-	-	-
Stephen Woodham	1,000,000	-	-	(1,000,000)	-	-
Peter Bennetto	1,500,000	-	-	(1,500,000)	-	-
Ed Turner	-	-	-	1,200,000	1,200,000	1,200,000
	3,500,000	-	-	9,700,000	8,200,000	8,200,000

	Balance at beginning of year	Granted during the year	Exercised during the year	Other changes during the year	Balance at end of year	Vested
<b>30 June 2019</b>						
Peter Bennetto	1,500,000	-	-	-	1,500,000	1,500,000
Stephen Woodham	1,000,000	-	-	-	1,000,000	1,000,000
Stephen Brockhurst	1,000,000	-	-	-	1,000,000	1,000,000
	3,500,000	-	-	-	3,500,000	3,500,000

**Kingwest Resources Limited****ABN 58 624 972 185****DIRECTOR'S REPORT****For the year ended 30 June 2020****KMP Share Appreciation Rights**

The number of share appreciation rights held during the financial year by each KMP of the Company is as follows:

	<b>Balance at beginning of year</b>	<b>Granted during the year</b>	<b>Exercised during the year</b>	<b>Other changes during the year</b>	<b>Balance at end of year</b>	<b>Vested</b>
<b>30 June 2020</b>						
Adrian Byass	-	750,000	-	-	750,000	-
Stephen Brockhurst	-	250,000	-	-	250,000	-
Jonathan Downes	-	-	-	750,000	750,000	-
Jonathan Price	-	-	-	-	-	-
Stephen Woodham	-	-	-	-	-	-
Peter Bennetto	-	-	-	-	-	-
Ed Turner	-	750,000	-	-	750,000	-
	-	1,750,000	-	750,000	2,500,000	-

There were no share appreciation rights on issue as at 30 June 2019.

**End of Remuneration Report****Meeting of Directors**

During the year 3 director's meeting was held. Attendance by each director during the year were as follows:

	<b>Director's Meetings</b>	
	<b>Number eligible to attend</b>	<b>Director's meetings attended</b>
Adrian Byass	2	2
Jonathan Price	2	2
Jonathan Downes	2	2
Stephen Brockhurst	3	3
Peter Bennetto	1	1
Stephen Woodham	1	1

**Future Developments, Prospects and Business Strategies**

Further information, other than as disclosed in this report, about likely developments in the operations of the Group and the expected results of those operations in future periods has not been included in this report as disclosure of this information would be likely to result in unreasonable prejudice to the Group.

**Proceedings on Behalf of the Company**

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

# Kingwest Resources Limited

ABN 58 624 972 185

## DIRECTOR'S REPORT

For the year ended 30 June 2020

---

### Environmental Issues

The operations and proposed activities of the Group are subject to State and Federal laws and regulations concerning the environment. As with most exploration projects and mining operations, the Group's activities are expected to have an impact on the environment, particularly if advanced exploration or field development proceeds. It is the Group's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws. In this regard, the Department of Minerals and Petroleum of Western Australia from time to time, review the environmental bonds that are placed on permits. The Directors are not in a position to state whether a review is imminent or whether the outcome of such a review would be detrimental to the funding needs of the Company.

### Indemnity and insurance of officers

The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they be may be held personally liable, except when there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

### Indemnity and insurance of auditors

The Company has not, during the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

### Officers of the Company who are former partners of RSM Australia Partners

There are no officers of the Company who are former partners of RSM Australia Partners.

### Non-audit services

The following amounts were paid to the auditors of the Group, RSM Australia Partners, for non-audit services provided during the year:

	2020	2019
	\$	\$
<b>Non-audit services:</b>		
Taxation and other services	12,250	4,000

### Auditor's Independence Declaration

Section 307C of the Corporations Act 2001 requires our auditors, RSM Australia Partners, to provide the Directors of the Company with an Independence Declaration in relation to the audit of the financial report. This Independence Declaration is included within and forms part of this Directors' Report for the year ended 30 June 2020.

### Auditor

RSM Australia continues in office in accordance with s327 of the Corporation Act 2001.

**Kingwest Resources Limited**

**ABN 58 624 972 185**

**DIRECTOR'S REPORT**

**For the year ended 30 June 2020**

---

This report is signed in accordance with a resolution of the Board of Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.



---

Adrian Byass  
Director

Dated this 7<sup>th</sup> day of September 2020

**RSM Australia Partners**

Level 32, Exchange Tower  
2 The Esplanade Perth WA 6000  
GPO Box R1253 Perth WA 6844

T +61 (0) 8 9261 9100

F +61 (0) 8 9261 9111

[www.rsm.com.au](http://www.rsm.com.au)

**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the audit of the financial report of Kingwest Resources Limited for the year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.



RSM AUSTRALIA PARTNERS



TUTU PHONG  
Partner

Perth, WA  
Dated: 7 September 2020

**Kingwest Resources Limited**

**ABN 58 624 972 185**

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2020**

	<b>Note</b>	<b>2020</b>	<b>2019</b>
		<b>\$</b>	<b>\$</b>
<b>Revenue</b>			
Interest		11,930	42,632
Other Income		18,558	1,781
<b>Expenses</b>			
Accounting and audit fees		(166,312)	(167,997)
Compliance cost		(68,378)	(32,096)
Corporate advisory and consulting fees		(126,191)	(236,907)
Director & employee benefits expense		(266,649)	(313,972)
Legal expenses		(15,606)	(12,645)
Pre-acquisition exploration & evaluation expenditure		-	(24,826)
Share based payments	16	(235,865)	-
Interest expense		(3,265)	(2,040)
Travel expenses		(31,932)	(73,730)
Depreciation		(29,094)	(5,018)
Impairment of exploration expenditure	6	(4,151,013)	(1,095)
Loss on disposal of exploration tenements		(5,939)	-
Other expenses		(193,261)	(140,209)
<b>Loss before income tax expense</b>		<b>(5,263,017)</b>	<b>(966,122)</b>
Income tax expense	2	-	-
<b>Loss after income tax for the year</b>		<b>(5,263,017)</b>	<b>(966,122)</b>
<b>Other comprehensive income net of income tax</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive loss for the year</b>		<b>(5,263,017)</b>	<b>(966,122)</b>
<b>Loss Per Share</b>			
Basic and diluted loss per share (cents per share)	3	(5.34)	(2.12)

The accompanying notes form part of these financial statements.

Kingwest Resources Limited

ABN 58 624 972 185

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

	Note	2020 \$	2019 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4	2,781,402	1,859,163
Trade and other receivables	5	211,739	142,723
Exploration and evaluation assets held for sale	6	636,692	-
<b>TOTAL CURRENT ASSETS</b>		<b>3,629,833</b>	<b>2,001,886</b>
<b>NON-CURRENT ASSETS</b>			
Exploration and evaluation assets	6	14,060,951	4,991,506
Plant and equipment	7	54,785	38,990
Right-of-use asset	9a	58,685	-
<b>TOTAL NON-CURRENT ASSETS</b>		<b>14,174,421</b>	<b>5,030,496</b>
<b>TOTAL ASSETS</b>		<b>17,804,254</b>	<b>7,032,382</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	8	4,635,292	354,193
Lease liabilities	9b	36,764	-
Provisions	10	11,767	6,764
<b>TOTAL CURRENT LIABILITIES</b>		<b>4,683,823</b>	<b>360,957</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities	9b	22,863	-
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>22,863</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>		<b>4,706,686</b>	<b>360,957</b>
<b>NET ASSETS</b>		<b>13,097,568</b>	<b>6,671,425</b>
<b>EQUITY</b>			
Issued capital	11	17,925,197	7,433,798
Share based payment reserve	12	1,991,951	794,190
Accumulated losses		(6,819,580)	(1,556,563)
<b>TOTAL EQUITY</b>		<b>13,097,568</b>	<b>6,671,425</b>

The accompanying notes form part of these financial statements.



**Kingwest Resources Limited**

**ABN 58 624 972 185**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2020**

	<b>Issued Capital</b>	<b>Share based payment reserve</b>	<b>Accumulated losses</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance at 1 July 2019</b>	7,433,798	794,190	(1,556,563)	6,671,425
Loss for the year	-	-	(5,263,017)	(5,263,017)
Other comprehensive income	-	-	-	-
Total comprehensive loss	-	-	(5,263,017)	(5,263,017)
<i>Transactions with owner directly recorded in equity</i>				
Shares issued	10,996,000	-	-	10,996,000
Share based payments	-	1,197,761	-	1,197,761
Share issue cost	(504,601)	-	-	(504,601)
<b>Balance at 30 June 2020</b>	<b>17,925,197</b>	<b>1,991,951</b>	<b>(6,819,580)</b>	<b>13,097,568</b>

	<b>Issued Capital</b>	<b>Share based payment reserve</b>	<b>Accumulated losses</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance at 1 July 2018</b>	501,500	794,190	(590,441)	705,249
Loss for the year	-	-	(966,122)	(966,122)
Other comprehensive income	-	-	-	-
Total comprehensive loss	-	-	(966,122)	(966,122)
<i>Transactions with owner directly recorded in equity</i>				
Shares issued	8,060,000	-	-	8,060,000
Share based payments	-	-	-	-
Share issue cost	(1,127,702)	-	-	(1,127,702)
<b>Balance at 30 June 2019</b>	<b>7,433,798</b>	<b>794,190</b>	<b>(1,556,563)</b>	<b>6,671,425</b>

The accompanying notes form part of these financial statements.

**Kingwest Resources Limited**

**ABN 58 624 972 185**

**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020**

	<b>Note</b>	<b>2020 \$</b>	<b>2019 \$</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Payments to suppliers and employees		(881,584)	(985,659)
Interest received		15,131	39,270
Interest paid		(3,265)	(2,040)
<b>Net cash used in operating activities</b>	<b>14</b>	<b>(869,718)</b>	<b>(948,429)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payment for exploration expenditure		(3,868,629)	(1,369,448)
Payment for exploration assets		(1,750,000)	(490,000)
Proceeds from disposal of exploration assets		475,000	-
Cash on acquisition of subsidiary		-	2,546
Payment for property, plant and equipment		(29,447)	(44,008)
<b>Net cash used in investing activities</b>		<b>(5,173,076)</b>	<b>(1,900,911)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of shares (net of costs)		6,979,534	3,842,820
Lease repayments		(14,501)	-
<b>Net cash provided by financing activities</b>		<b>6,965,033</b>	<b>3,842,820</b>
Net increase in cash and cash equivalents		922,239	993,480
<b>Cash and cash equivalents at beginning of financial year</b>		<b>1,859,163</b>	<b>865,683</b>
<b>Cash and cash equivalents at end of financial year</b>	<b>4</b>	<b>2,781,402</b>	<b>1,859,163</b>

The accompanying notes form part of these financial statements.

# Kingwest Resources Limited

ABN 58 624 972 185

## NOTES TO THE FINANCIAL STATEMENTS

---

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements and notes represent those of Kingwest Resources Limited (the "Company") and its wholly owned subsidiaries (together referred to hereafter as "the Group"). Kingwest Resources Limited is a public company, incorporated and domiciled in Australia.

The financial statements were authorised for issue on 7 September 2020 by the directors of the Company. The directors have the power to amend and reissue the financial statements.

The principal accounting policies adopted in the preparation of the financial statements are set out below.

#### **New or amended Accounting Standards and Interpretations adopted**

In the year ended 30 June 2020, the Group has reviewed all of the new and revised Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current annual reporting year.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The following Accounting Standards and Interpretations are most relevant to the Group:

#### **AASB 16 Leases**

The Group has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

#### *Impact of adoption*

AASB 16 was adopted upon the Group entering into a leasing arrangement during the financial year, as a result there was no impact on the opening retained earnings.

#### **Basis of Preparation**

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the

Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The Company is a for-profit entity for financial reporting purposes under the Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB). Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and is based on historical costs, modified where applicable, by the measurement at fair value of financial assets and financial liabilities.

**Kingwest Resources Limited**

**ABN 58 624 972 185**

**NOTES TO THE FINANCIAL STATEMENTS**

---

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Accounting Policies**

The following is a summary of the material accounting policies adopted by the Group in the preparation of the financial report.

**a) Operating Segments**

Operating segments are presented using the 'management approach' where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers. The Chief Operating Decision Maker is responsible for the allocation of resources to operating segments and assessing their performance.

**b) Principles of consolidation**

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent, Kingwest Resources Limited and all of the subsidiaries (including any structured entities). Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 21.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as "non-controlling interests". The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or at the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

# Kingwest Resources Limited

ABN 58 624 972 185

## NOTES TO THE FINANCIAL STATEMENTS

---

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### c) Business Combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the Group assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the Group remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

#### d) Income Tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

# Kingwest Resources Limited

ABN 58 624 972 185

## NOTES TO THE FINANCIAL STATEMENTS

---

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

#### e) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current. Deferred tax assets and liabilities are always classified as non-current.

#### f) Plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Plant and equipment	2-5 years
---------------------	-----------

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date. Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

#### g) Right of use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

**NOTES TO THE FINANCIAL STATEMENTS**

---

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

**h) Exploration and Evaluation Expenditure**

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the period in which the decision to abandon the area is made.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly, the costs have been determined on the basis that the restoration will be completed within one period of abandoning the site.

**i) Investments and other financial assets**

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

*Financial assets at fair value through profit or loss*

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

*Financial assets at fair value through other comprehensive income*

Financial assets at fair value through other comprehensive income include equity investments which the Group intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

# Kingwest Resources Limited

ABN 58 624 972 185

## NOTES TO THE FINANCIAL STATEMENTS

---

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *Impairment of financial assets*

The Group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss. Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

#### j) **Impairment of Assets**

At the end of each reporting date, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

#### k) **Employee Benefits**

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within a 12-month period have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than 12 months have been measured at the present value of the estimated future cash outflows to be made for those benefits.

#### l) **Equity-settled compensation**

The Group operates equity-settled share-based payment employee share and option schemes. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is ascertained as the market bid price. The fair value of options is ascertained using a Black-Scholes pricing model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting date such that the amount recognised for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.



**Kingwest Resources Limited**

**ABN 58 624 972 185**

**NOTES TO THE FINANCIAL STATEMENTS**

---

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**m) Fair Value Measurement**

When an asset or liability, financial or non-financial is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either; in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

**n) Issued Capital**

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**o) Earnings per share**

*Basic earnings per share*

Basic earnings per share is calculated by dividing the profit attributable to the owners of Kingwest Resources Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares, outstanding during the financial period, adjusted for bonus elements in ordinary shares issued during the financial period.

*Diluted earnings per share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

**p) Provisions**

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

**q) Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, restricted cash, deposits held at call with banks and other short-term highly liquid investments with original maturities of 3 months or less.

**Kingwest Resources Limited**

**ABN 58 624 972 185**

**NOTES TO THE FINANCIAL STATEMENTS**

---

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**r) Trade and other receivables**

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 days.

The Company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

**s) Trade and other payables**

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial period and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

**t) Lease liabilities**

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

**u) Revenue**

The Company recognises revenue as follows:

**Interest**

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

**Other revenue**

Other revenue is recognised when it is received or when the right to receive payment is established.

**v) Borrowing Costs**

All borrowing costs are recognised as expense in the period in which they are incurred.

# Kingwest Resources Limited

ABN 58 624 972 185

## NOTES TO THE FINANCIAL STATEMENTS

---

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### w) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

#### x) Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

#### *Share based payment transactions*

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of the options issued are determined by an internal valuation using a Black-Scholes option pricing model, using the assumptions detailed in the notes to the financial statements. The assumptions detailed in the note is also judgemental.

For equity transactions with consultants and other employees, the fair value reflects the value attributable to services where applicable. Where there is no quantifiable value of services the value of options is calculated using the Black-Scholes option pricing model.

For instruments issued with market-based conditions, alternative valuation methodologies would be adopted.

#### *Exploration and evaluation costs*

Exploration and evaluation costs have been capitalised and are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Key judgements are applied in considering the costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised.

#### *Coronavirus (COVID-19) pandemic*

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Group based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Group operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Group unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

**NOTES TO THE FINANCIAL STATEMENTS**

---

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

y) **New accounting standards for application in future periods**

**New Accounting Standards and Interpretations not yet mandatory or early adopted**

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting year ended 30 June 2020. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, is set out below.

***Conceptual Framework for Financial Reporting (Conceptual Framework)***

The revised Conceptual Framework is applicable to annual reporting periods beginning on or after 1 January 2020 and early adoption is permitted. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards. Where the Group has relied on the existing framework in determining its accounting policies for transactions, events or conditions that are not otherwise dealt with under the Australian Accounting Standards, the Group may need to review such policies under the revised framework. At this time, the application of the Conceptual Framework is not expected to have a material impact on the Group's financial statements.

**Kingwest Resources Limited**

**ABN 58 624 972 185**

**NOTES TO THE FINANCIAL STATEMENTS**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 2: INCOME TAX EXPENSE</b>		
<b>a. Recognised in the income statement:</b>		
Current tax	-	-
Deferred tax	-	-
Income tax as reported in the statement of comprehensive income	-	-
<b>b. Reconciliation of income tax expense to prima facie tax payable:</b>		
Loss from ordinary activities before income tax expense	(5,263,017)	(966,122)
Prima facie tax benefit on loss from ordinary activities before income tax at 30%	(1,578,905)	(289,834)
Increase in income tax due to:		
- Temporary differences	(2,236,442)	(1,426,490)
- Permanent difference	1,317,142	5,354
- Unused tax losses not recognised	2,498,205	1,710,970
Income tax attributable to operating loss	-	-
The following deferred tax balances have not been recognised:		
<b>c. Deferred tax assets not recognised</b>		
Carry forward revenue losses at 30%	3,647,526	1,957,884

Potential deferred tax assets attributable to tax losses and other temporary differences have not been brought to account at 30 June 2020 because the directors do not believe it is appropriate to regard realisation of the deferred tax assets as probable at this point in time. These benefits will only be obtained if:

- the Group derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the expenditure to be realised; and
- no changes in tax legislation adversely affect the Group in realising the benefit from the deductions for the expenditure.

**Kingwest Resources Limited**

**ABN 58 624 972 185**

**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 3: LOSS PER SHARE**

	<b>2020</b>	<b>2019</b>
	<b>Cents per share</b>	<b>Cents per share</b>
Basic and diluted loss per share	(5.34)	(2.12)

The loss and weighted average number of ordinary shares used in this calculation of basic and diluted loss per share are as follows:

	<b>\$</b>	<b>\$</b>
Loss	(5,263,017)	(966,122)

	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	98,550,501	45,556,301

The options outstanding are not included in the calculation of diluted loss per share because they have no dilutive effect for the year ended 30 June 2019 and 30 June 2020.

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 4: CASH AND CASH EQUIVALENTS</b>		
Cash at bank	2,781,402	1,109,163
Term deposits	-	750,000
	<b>2,781,402</b>	<b>1,859,163</b>

**NOTE 5: TRADE AND OTHER RECEIVABLES**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>Current</b>		
GST receivable	133,020	55,490
Prepayments	61,993	83,870
Other receivables	16,726	3,362
	<b>211,739</b>	<b>142,723</b>

There is no allowance for expected credit losses recognised for the year ended 30 June 2020.

# Kingwest Resources Limited

ABN 58 624 972 185

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 6: EXPLORATION AND EVALUATION ASSETS

	2020	2019
	\$	\$
<b>Current</b>		
Exploration and evaluation assets held for sale	636,692	-
<b>Non Current</b>		
Exploration and evaluation assets held for sale	14,060,951	4,991,506
Total Exploration and evaluation assets	<b>14,697,643</b>	<b>4,991,506</b>
<b>Movements in exploration and evaluation assets</b>		
Balance at the beginning of year	4,991,506	-
Tenement acquisition <sup>1</sup>	9,336,896	1,050,000
Acquisition of Roman Kings Limited tenements <sup>2</sup>	-	2,393,993
Tenement disposal	(479,961)	-
Costs capitalised	5,000,215	1,548,608
Impairment of costs	(4,151,013)	(1,095)
Balance at the end of reporting year	<b>14,697,643</b>	<b>4,991,506</b>

As at 30 June 2020 the Leonora tenements, namely Crawfords and Gambier Lass North were classified as held for sale. During the year the Group recognised an impairment expense of \$4,151,013 on the Leonora tenements. The ultimate recoupment of balances carried forward in relation to areas of interest still in the exploration or valuation phase is dependent on successful development, and commercial exploitation, or alternatively sale of the respective areas. The Company conducts impairment testing on an annual basis when indicators of impairment are present at the reporting date.

<sup>1</sup> During the year ended 30 June 2020 the Group acquired the Menzies and Goongarrie Gold Projects from Horizon Minerals Limited ("Horizon") by acquiring a number of exploration and mining tenements near the town of Menzies in Western Australia. Consideration for the acquisition consisted of an initial cash payment to Horizon of \$1,750,000 and the issue of 20,000,000 ordinary shares with a fair value of \$3,000,000. Consideration for the acquisition also includes a payment of \$1,625,000 in cash and \$1,625,000 in shares at a deemed issue price being the lower of \$0.15 per share and a 30 day VWAP. This deferred consideration is due no later than 18 months following settlement, being 18 March 2021. The Group also issued 2,500,000 ordinary shares with a fair value of \$375,000 and a total of 7,850,000 unlisted options with a fair value of \$961,896 (refer to Note 16a) to facilitators of the acquisition.

During the year ended 30 June 2019 the Group acquired an additional 24% interest in tenements M37/1202 and E37/893, through the wholly owned subsidiary Roman Kings Pty Ltd from Messina Resources Limited for \$490,000 cash. The Group also acquired three exploration tenements forming part of the Emperor project from Central Iron Ore Limited through the issue of 2,700,000 ordinary shares with a fair value of \$540,000 and one exploration tenement also forming part of the Emperor Project from Kambala Gold Pty Ltd for 100,000 ordinary shares with a fair value of \$20,000.

# Kingwest Resources Limited

ABN 58 624 972 185

## NOTES TO THE FINANCIAL STATEMENTS

<sup>2</sup> During the year ended 30 June 2019, the Group acquired exploration and evaluation assets of \$2,393,993 being the identifiable exploration assets acquired upon the acquisition of Roman Kings Limited's Western Australian tenements, refer below:

<b>Purchase consideration:</b>	<b>\$</b>
12,000,000 Ordinary shares	2,400,000
<b>Identifiable assets/(liabilities) acquired:</b>	
Cash	2,524
Receivables	26,263
Exploration tenements	2,393,993
Trade and other payables	(22,780)
	2,400,000

### NOTE 7: PLANT & EQUIPMENT

	2020	2019
	\$	\$
Balance at the beginning of year	38,990	-
Addition	29,446	44,008
Accumulated depreciation	(13,651)	(5,018)
Balance at the end of reporting year	<b>54,785</b>	<b>38,990</b>

### NOTE 8: TRADE AND OTHER PAYABLES

	2020	2019
	\$	\$
<b>Current</b>		
Trade creditors	1,274,171	122,515
Accruals	111,121	205,571
Other payables	-	26,107
Menzies deferred consideration <sup>1</sup>	3,250,000	-
	<b>4,635,292</b>	<b>354,193</b>

Trade creditors are expected to be paid on 30-day terms.

<sup>1</sup>Menzies deferred consideration is payable on or before 18 March 2021 consisting of payment of \$1,625,000 in cash and \$1,625,000 in shares at a deemed issue price being the lower of \$0.15 per share and a 30 day VWAP (refer to Note 6).



**Kingwest Resources Limited**  
**ABN 58 624 972 185**

**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 9: LEASES**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>a) Right-of-use asset</b>		
Balance at the beginning of the year	-	-
Additions	74,128	-
Depreciation	(15,443)	-
Balance at the end of the year	<u>58,685</u>	<u>-</u>
<b>b) Lease liabilities</b>		
Office lease	<u>59,627</u>	<u>-</u>
Current	36,764	-
Non-Current	<u>22,863</u>	<u>-</u>
Total	<u>59,627</u>	<u>-</u>

**NOTE 10: PROVISIONS**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>Current</b>		
Employee Benefits	<u>11,767</u>	<u>6,764</u>

# Kingwest Resources Limited

ABN 58 624 972 185

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 11: ISSUED CAPITAL

	2020 No.	2020 \$
Ordinary shares - fully paid	121,905,376	17,925,197

#### Movement in ordinary shares:

<b>Balance at beginning of year</b>	<b>50,810,000</b>	<b>7,433,798</b>
Issue of shares in lieu of services provided – 9 July 2019	606,060	100,000
Placement – 5 August 2019	10,000,000	1,500,000
Placement – 18 September 2019	16,666,666	2,500,000
Issue of shares for acquisition of Menzies Project – 18 September 2019	20,000,000	3,000,000
Issue of facilitator shares for Menzies Project – 18 September 2019	2,500,000	375,000
Placement – 24 February 2020	21,212,121	3,500,000
Issue of shares for tenement data – 28 February 2020	110,529	21,000
Share issue cost	-	(504,601)
<b>Balance at 30 June 2020</b>	<b>121,905,376</b>	<b>17,925,197</b>

	2019 No.	2019 \$
Ordinary shares - fully paid	50,810,000	7,433,798

#### Movement in ordinary shares:

<b>Balance at beginning of year</b>	10,010,000	501,500
Roman Kings acquisition issued on 17 August 2018	12,000,000	2,400,000
CIO / Kambala tenements issued on 17 August 2018	2,800,000	560,000
Convertible Note - issued on 17 August 2018	1,000,000	100,000
Shares issued on IPO - issued on 17 August 2018	25,000,000	5,000,000
Share issue cost	-	(1,127,702)
<b>Balance at 30 June 2019</b>	<b>50,810,000</b>	<b>7,433,798</b>

#### Terms and conditions of issued capital

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. The fully paid ordinary shares have no par value.

At the shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

# Kingwest Resources Limited

ABN 58 624 972 185

## NOTES TO THE FINANCIAL STATEMENTS

### Capital risk management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it may continue to provide returns for shareholders and benefits for other stakeholders.

The Company's capital includes ordinary share capital and financial liabilities, supported by financial assets.

Due to the nature of the Group's activities, being mineral exploration, it does not have ready access to credit facilities, with the primary source of funding being equity raisings. Accordingly, the objective of the Group's capital risk management is to balance the current working capital position against the requirements of the Group to meet exploration programmes and corporate overheads. This is achieved by maintaining appropriate liquidity to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required.

### NOTE 12: SHARE BASED PAYMENT RESERVE

	2020 \$	2019 \$
Opening balance	794,190	794,190
Options issued	961,896	-
Share appreciation rights issued	235,865	-
Closing balance	<b>1,991,951</b>	<b>794,190</b>

The share-based payments reserves record items recognised as expenses on valuation of employees, directors and promoters options and share appreciation rights.

A summary of the movements of all options issued is as follows:

	Number	Weighted Average Exercise Price (\$)	Weighted Average Remaining Life (years)
<b>Options outstanding as at 1 July 2019</b>	15,750,000	0.20	2.0
Issued	7,850,000	0.49	2.8
Forfeited	-	-	-
Exercised	-	-	-
Expired	-	-	-
<b>Options outstanding as at 30 June 2020</b>	<b>23,600,000</b>	<b>0.30</b>	<b>1.3</b>

<b>Options exercisable as at 30 June 2020</b>	23,600,000	0.30	1.3
---	------------	------	-----

	Number	Weighted Average Exercise Price (\$)	Weighted Average Remaining Life (years)
<b>Options outstanding as at 1 July 2018</b>	15,750,000	0.20	3.0
Issued	-	-	-
Forfeited	-	-	-
Exercised	-	-	-
Expired	-	-	-
<b>Options outstanding as at 30 June 2019</b>	<b>15,750,000</b>	<b>0.20</b>	<b>2.0</b>

<b>Options exercisable as at 30 June 2019</b>	15,750,000	0.20	2.0
---	------------	------	-----

**Kingwest Resources Limited**

**ABN 58 624 972 185**

**NOTES TO THE FINANCIAL STATEMENTS**

A summary of the movements of all share appreciation rights issued is as follows:

	Number	Weighted Average Strike Price (\$)	Weighted Average Remaining Life (years)
<b>Share appreciation rights outstanding as at 1 July 2020</b>	-	-	-
Issued	2,970,000	0.28	4.9
Forfeited	-	-	-
Exercised	-	-	-
Expired	-	-	-
<b>Share appreciation rights outstanding as at 30 June 2020</b>	<b>2,970,000</b>	<b>0.28</b>	<b>4.3</b>
<b>Share appreciation rights exercisable as at 30 June 2020</b>	-	-	-

See note 16 for valuation technique, assumptions and inputs.

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 13: AUDITORS' REMUNERATION</b>		
Remuneration of the auditor of the Group for:		
Audit or review of the financial report	31,500	26,000
Non-audit services:		
Other services	12,250	4,000

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>

**NOTE 14: CASHFLOW INFORMATION**

**a. Reconciliation of Cash Flow from Operations with Loss after Income Tax**

Loss after income tax	(5,263,017)	(966,122)
<u>Non-cash adjustment</u>		
Share Based Payments	235,865	-
Impairment	4,151,013	5,018
Loss on disposal	5,939	-
Depreciation	29,094	-
Changes in assets and liabilities;		
Trade and other receivables	(32,485)	12,532
Trade payables and accruals	(1,130)	(6,621)
Provisions	5,003	6,764
<b>Cashflow used in operating activities</b>	<b>(869,718)</b>	<b>(948,429)</b>

**Kingwest Resources Limited**

**ABN 58 624 972 185**

**NOTES TO THE FINANCIAL STATEMENTS**

---

**b. Non-cash Financing and Investing Activities**

During the year the Group had the following non-cash financing and investing activities:

- Issue of 606,060 shares to a supplier in lieu of services provided at a deemed issue price of \$0.165 per share – refer to Note 11;
- Acquisition of the Menzies and Goongarrie tenements. The purchase consideration was partially settled by issuance of 20,000,000 shares at \$ 0.15 per shares and the issue of 2,500,000 shares and 7,850,000 options to facilitators of the acquisition – refer to Note 6;
- Issue of 110,529 shares to a supplier for the acquisition of tenement data at a deemed issue price of \$0.19 per share – refer to Note 11.
- Recognition of a right of use asset and lease liability of \$74,128 on the commencement of a commercial office lease – refer to Note 9.

**Kingwest Resources Limited****ABN 58 624 972 185****NOTES TO THE FINANCIAL STATEMENTS****NOTE 15: TRANSACTIONS WITH RELATED PARTIES****Key Management Personnel (KMP)**

The total of remuneration paid or due to be paid to the KMP of the Company during the year are as follows:

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Short-term employment benefits	375,985	310,946
Post-employment benefits	26,622	20,306
Share based payments	130,937	-
Total remuneration paid or due to be paid	533,543	331,252

**Transactions with related parties**

Transactions between related parties are on commercial terms and conditions, no more favourable than those available to other parties unless otherwise stated.

	<b>\$</b>	<b>\$</b>
	<b>2020</b>	<b>2019</b>
<i>Mining Corporate Pty Ltd – related party to Stephen Brockhurst</i>		
Transaction facilitation services, company secretarial, accounting and bookkeeping services during the year	134,812	136,269
Total during the year	134,812	136,269

**Outstanding balances arising from transactions**

	<b>\$</b>	<b>\$</b>
	<b>30 June 2020</b>	<b>30 June 2019</b>
<i>Mining Corporate Pty Ltd – related party to Stephen Brockhurst</i>		
Company secretarial, accounting and bookkeeping services during the year	8,976	11,436

**Loan to Directors and their related parties**

No loans have been made to any Director or any of their related parties during the year. There were no further transactions with Directors including their related parties other than those disclosed above.

# Kingwest Resources Limited

ABN 58 624 972 185

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 16: SHARE BASED PAYMENTS

There were the following share based payments during the year:

	30 June 2020	30 June 2019
	\$	\$
<b>Shares</b>		
606,060 Ordinary shares issued to a drilling supplier in lieu of cash for services provided at a deemed issue price of \$0.165 per share	100,000	-
20,000,000 Ordinary shares issued to acquire the Menzies Gold Project at a deemed issue price of \$0.15 per share	3,000,000	-
2,500,000 Ordinary shares to facilitators of the Menzies Gold Project at a deemed issue price of \$0.15 per share	375,000	-
110,529 Ordinary shares to a supplier for tenement data acquired at a deemed issue price of \$0.19 per share	21,000	-
12,000,000 Ordinary shares issued to acquire Roman Kings Pty Ltd at a deemed issue price of \$0.20 per share	-	2,400,000
2,800,000 Ordinary shares issued to acquire various tenements at a deemed issue price of \$0.20 per share	-	560,000
<b>Unlisted Securities</b>		
2,700,000 options issued to facilitators of the Menzies Gold Project acquisition	362,555	-
5,150,000 options issued to facilitators of the Menzies Gold Project acquisition	599,341	-
2,970,000 share appreciation rights issued pursuant to the Performance Rights Plan	235,865	-

#### a) *Facilitator Options*

The Facilitator Options were approved by shareholders on 10 September 2019 and issued on settlement of the acquisition of the Menzies Gold Project.

Grant Date/entitlement	Number of Instruments	Grant Date	Expiry Date	Exercise Price	Fair value per instrument	Value \$
Class A Facilitator Options	2,700,000	18/09/2019	30/06/2022	\$0.39	0.1343	362,555
Class B Facilitator Options	5,150,000	18/09/2019	30/06/2022	\$0.54	0.1164	599,341

The options issued during the year were calculated using the Black-scholes option pricing model with the following inputs:

	Options granted Range
Expected volatility (%)	100%
Risk free interest rate (%)	0.8%
Weighted average expected life of options (years)	2.7
Expected dividends	Nil
Option exercise price (\$)	\$0.39 / \$0.54
Share price at grant date (\$)	\$0.26
Fair value of option (\$)	\$0.1343 - \$0.1164

The options issued were deemed to vest immediately and there were no other vesting conditions.

# Kingwest Resources Limited

ABN 58 624 972 185

## NOTES TO THE FINANCIAL STATEMENTS

### b) Share Appreciation Rights

The Performance Rights Plan was approved by shareholders on 10 September 2019. On 7 October 2019 1,970,000 Share Appreciation Rights (SARs) were issued to employees, of these 50% vest on 7 October 2020 (Tranche 1) and 50% vest on 7 October 2021 (Tranche 2). On 22 November 2019 1,000,000 SARs were issued to Directors upon receiving shareholder approval at the Company's AGM, of these 50% vest on 7 October 2020 (Tranche 3) and 50% vest on 7 October 2021 (Tranche 4).

Grant Date/entitlement	Number of Instruments	Grant Date	Vesting Date	Fair value per instrument \$	Value \$
Tranche 1 - SARs issued to employees / consultants at a strike price of \$0.28 expiring 7 October 2024	985,000	7/10/2019	7/10/2020	0.152	149,720
Tranche 2 - SARs issued to employees / consultants at a strike price of \$0.28 expiring 7 October 2024	985,000	7/10/2019	7/10/2021	0.166	163,806
Tranche 3 - SARs issued to directors at a strike price of \$0.28 expiring 7 October 2024	500,000	22/11/2019	7/10/2020	0.127	63,500
Tranche 4 - SARs issued to directors at a strike price of \$0.28 expiring 7 October 2024	500,000	22/11/2019	7/10/2021	0.139	69,450

The SARs issued during the year were calculated using a binomial pricing model with the following range of inputs:

	Rights granted
Expected volatility (%)	100%
Risk free interest rate (%)	0.62% - 0.8%
Weighted average expected life (years)	4.9 - 5 years
Expected dividends	Nil
Strike price (\$)	\$0.28
Share price at grant date (\$)	\$0.22 - \$0.26

### NOTE 17: CONTINGENT ASSETS AND LIABILITIES

On acquiring tenements M37/1202 and E37/893 during the 2019 financial year, the Group assumed a royalty of \$5 per contained ounce of gold in an acceptable Mineral Resource greater than 1g/t (Royalty). The Group paid the Royalty owing to original vendor on the existing mineral resource as part of the Roman Kings acquisition during the 2019 financial year.

On acquiring certain Menzies tenements (L29/42, L29/43, L29/44, M29/14, M29/88, M29/153, M29/154, M29/184, MLA29/223) during the financial year, the Group assumed a Net Smelter Royalty of 1% on gross proceeds from the sale of any gold on the tenements to the original vendor. The Group also assumed a clawback right allowing the original vendor to acquire a 70% interest in any single resource that may be discovered on the tenements provided the single resource contains at least 500,000oz of gold. The purchase price for the single resource is the greater of \$2,000,000 or 3 times eligible exploration and evaluation expenditure incurred in relation to the discovery of the single resource.

In the opinion of the directors there were no other contingent assets or liabilities as at 30 June 2020.



## Kingwest Resources Limited

ABN 58 624 972 185

### NOTES TO THE FINANCIAL STATEMENTS

#### NOTE 18: CAPITAL AND OTHER COMMITMENTS

In order to maintain the current rights to Western Australian exploration tenements, the Group is required to perform minimum exploration requirements specified by the Department of Mines and Petroleum:

	30 June 2020	30 June 2019
Less than 12 months	754,110	689,004
Between 12 months and 5 years	2,023,579	1,189,820
5 years or more	1,966,158	533,110
<b>Total</b>	<b>4,743,847</b>	<b>2,411,934</b>

The Group has no other capital or expenditure commitments as at reporting date.

#### NOTE 19: OPERATING SEGMENTS

The Group has identified its operating segments based on internal reports that are reviewed and used by the Board of Directors in assessing performance and determining the allocation of resources. The Group operates in one business segment being exploration for mineral resources. The Group operates in Australia. All segment assets, segment liabilities and segment results relate to one business segment and therefore no segment analysis has been prepared.

#### NOTE 20: FINANCIAL RISK MANAGEMENT

The Group's financial instruments consist mainly of deposits with banks, accounts receivable and accounts payable.

The Board of Directors has overall responsibility for the oversight and management of the Group's exposure to a variety of financial risks (including market risk, credit risk and liquidity risk).

##### ***Credit risk***

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the Statement of Financial Position and notes to the financial statements.

The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions is spread amongst approved counterparties.

The Group does not have any collateral. Credit risk related to balances with banks and other financial institutions is managed by the board. The board's policy requires that surplus funds are only invested with counterparties with a Standard & Poor's rating of at least AA-. All of the Group's surplus funds are invested with AA Rated financial institutions.

The Group does not have any material credit risk exposure to any single receivable or receivables under financial instruments entered into by the Group.

##### ***Liquidity risk***

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The responsibility with liquidity risk management rests with the Board of Directors. The Group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate working capital is maintained. The Group's policy is to ensure that it has sufficient cash reserves to carry out its planned exploration activities over the next 12 months.

# Kingwest Resources Limited

ABN 58 624 972 185

## NOTES TO THE FINANCIAL STATEMENTS

The table below reflects an undiscounted contractual maturity analysis for financial liabilities and receivables.

### Financial liability and financial asset maturity analysis

2020	Weighted Average Interest Rate	1 year or less \$	Between 1 & 2 years \$	Between 2 & 5 years \$	Total \$
<b>Non-Derivatives</b>					
<i>Financial Assets</i>					
Cash and Cash Equivalents	1%	2,781,402	-	-	2,781,402
Trade and Other Receivables	-	211,739	-	-	211,739
<i>Financial Liabilities</i>					
Trade Payables	-	(4,635,292)	-	-	(4,635,292)
Borrowings	6%	(11,767)	(22,863)	-	(34,630)
Net Financial Assets		(1,653,918)	(22,863)	-	(1,676,781)
<b>2019</b>					
	Weighted Average Interest Rate	1 year or less \$	Between 1 & 2 years \$	Between 2 & 5 years \$	Total \$
<b>Non-Derivatives</b>					
<i>Financial Assets</i>					
Cash and Cash Equivalents	1%	1,859,163	-	-	1,859,163
Trade and Other Receivables	-	58,852	-	-	58,852
<i>Financial Liabilities</i>					
Trade Payables	-	(354,193)	-	-	(354,193)
Borrowings	-	-	-	-	-
Net Financial Liabilities		1,563,822	-	-	1,563,822

### Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments.

### Interest rate risk

The Group manages interest rate risk by monitoring immediate and forecast cash requirements and ensuring adequate cash reserves are maintained.

### Fair value of financial instruments

Unless otherwise stated, the carrying amount of financial instruments reflects their fair value.

# Kingwest Resources Limited

ABN 58 624 972 185

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 21: INTEREST IN CONTROLLED ENTITIES

The consolidated financial statements incorporate the assets, liabilities and the results of the following subsidiaries in accordance with the accounting policy described in note 1:

Controlled entities	Country of incorporation	Percentage owned	Percentage owned
		30 June 2020	30 June 2019
Roman Kings Pty Ltd	Australia	100%	100%
Pax Romana Resources Pty Ltd	Australia	100%	100%
Golden Gladiator Pty Ltd	Australia	100%	100%
Menzies Operational and Mining Pty Ltd <sup>1</sup>	Australia	100%	-
Goongarrie Operational and Mining Pty Ltd <sup>1</sup>	Australia	100%	-

<sup>1</sup> Incorporated during the year ended 30 June 2020

### NOTE 22: PARENT ENTITY DISCLOSURES

Financial position	2020	2019
	\$	\$
Assets		
Current assets	2,993,127	2,001,873
Non-current assets	14,824,695	5,043,183
Total assets	17,817,822	7,045,056
Liabilities		
Current liabilities	4,683,823	360,957
Non-current liabilities	22,863	-
Total liabilities	4,706,686	360,957
Equity		
Issued capital	17,925,197	7,433,798
Accumulated losses	(6,806,012)	(1,543,889)
Reserves	1,991,951	794,190
Total equity	13,111,136	6,684,099
Financial performance		
(Loss) for the year	(5,262,123)	(953,448)
Total comprehensive (loss) for the year	(5,262,123)	(953,448)

#### Contingent Liabilities:

On acquiring Roman Kings Pty Ltd, Kingwest Resources Limited assumed the obligations of Roman Kings as part of the acquisition of tenements M37/1202 and E37/893. The Group assumed a royalty of \$5 per contained ounce of gold in an acceptable Mineral Resource greater than 1g/t (Royalty). The Group paid the Royalty owing to the original vendor on the existing mineral resource as part of the Roman Kings acquisition during the 2019 financial year.

Kingwest Resources Limited had no other contingent liabilities as at 30 June 2020 and 30 June 2019.

# Kingwest Resources Limited

ABN 58 624 972 185

## NOTES TO THE FINANCIAL STATEMENTS

---

### Other Commitments and Contingencies:

The company has entered into various corporate and administrative agreements including commitments to perform minimum exploration requirements specified by the Department of Mines and Petroleum.

	30 June 2020	30 June 2019
Less than 12 months	745,596	689,004
Between 12 months and 5 years	2,022,996	1,189,820
5 years or more	1,966,158	533,110
<b>Total</b>	<b>4,734,750</b>	<b>2,411,934</b>

### NOTE 23: EVENTS AFTER REPORTING PERIOD

On 10 August 2020 the Company announced it had agreed terms to dispose of two non-core assets being Goongarrie Lady (M29/420) for \$1,900,000 and it's Crawfords and Gambier Lass Project (M27/1202, E37/893 and P37/8901) for \$190,000.

On 25 August 2020 the Company lodged a prospectus for a 1 for 5 non-renounceable rights issue to raise \$3,291,445 (before costs) through the issue of 24,381,075 ordinary shares at \$0.135 per share. The rights issue is fully underwritten and completion of the rights issue and issue of the shares is expected to occur on or about 18 September 2020.

No other matter or circumstance has arisen since the end of audited period which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

**Kingwest Resources Limited**

**ABN 58 624 972 185**

**DIRECTORS' DECLARATION**

---

In accordance with a resolution of the directors of Kingwest Resources Limited, the directors of the Company declare that:

1. the financial statements, notes and the remuneration report in the Directors' Report are in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the financial position of the Group as at 30 June 2020 and of its performance, for the year ended 30 June 2020; and
- (ii) complying with Australian Accounting Standards (including International Financial Reporting Standards) and the Corporations Regulations 2001;

2. in the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;

This declaration has been made after receiving the declarations required to be made by the directors in accordance with sections of 295A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the Board of Directors made pursuant to section 295(5)(a) of the Corporations Act 2001.



Adrian Byass  
Director

Perth, 7 September 2020

**RSM Australia Partners**

Level 32, Exchange Tower  
2 The Esplanade Perth WA 6000  
GPO Box R1253 Perth WA 6844

T +61 (0) 8 9261 9100  
F +61 (0) 8 9261 9111

[www.rsm.com.au](http://www.rsm.com.au)

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
KINGWEST RESOURCES LIMITED**

**Opinion**

We have audited the financial report of Kingwest Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the Corporations Act 2001, including:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2020 and of its financial performance for the year then ended; and
- (ii) Complying with Australian Accounting Standards and the Corporations Regulations 2001.

**Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**THE POWER OF BEING UNDERSTOOD**  
**AUDIT | TAX | CONSULTING**

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

Liability limited by a scheme approved under Professional Standards Legislation

## Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed this matter
<b>Exploration and evaluation expenditure – Note 6</b>	
<p>As at the reporting date, the Group has capitalised exploration, evaluation and development expenditure of \$14,060,951.</p> <p>We considered this to be a key audit matter due to the significant management judgments involved in assessing the carrying value of the assets including:</p> <ul style="list-style-type: none"> <li>• Determining whether the expenditure can be associated with finding specific mineral resources, and the basis on which that expenditure is allocated to an area of interest;</li> <li>• Assessing whether any indicators of impairment are present and if so, judgement applied to determine and quantify any impairment loss; and</li> <li>• Determining whether exploration activities have reached a stage at which the existence of an economically recoverable reserves may be determined.</li> </ul>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> <li>• Ensuring that the right to tenure of each area of interest is current;</li> <li>• Agreeing a sample of additions to supporting documentation and ensuring the amounts are capital in nature and relate to the area of interest;</li> <li>• Assessing and evaluating management's assessment of the impairment loss recognised in relation to the Leonora tenements; and</li> <li>• Enquiring with management and reviewing budgets and other supporting documentation as evidence that active and significant operations in, or relation to, the area of interest will be continued in the future; and</li> <li>• Through discussions with the management and reviewing relevant supporting documentation, assessing management's determination that exploration and evaluation activities have not yet reached a stage where the existence or otherwise of economically recoverable reserves may be reasonably determined.</li> </ul>
<b>Acquisition of the Menzies and Goongarrie Gold Projects – Note 6</b>	
<p>During the year ended 30 June 2020, the Group acquired the Menzies and Goongarrie Gold Projects.</p> <p>Accounting for this acquisition is a key audit matter as it involves management judgements in determining the acquisition date, the acquisition accounting treatment, the fair value of net assets acquired and the fair value of the purchase consideration.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> <li>• Obtaining the Heads of Agreement and other associated documents to obtain an understanding of the transaction and the related accounting considerations;</li> <li>• Evaluating management's determination that the acquisition did not meet the definition of a business in accordance with Accounting Standards and therefore was an asset acquisition and not a business combination;</li> <li>• Assessing management's determination of the acquisition date, fair value of consideration paid and the fair value of the net assets acquired; and</li> <li>• Reviewing the adequacy and accuracy of the relevant disclosures in the financial statements.</li> </ul>

## Key Audit Matters (Cont'd)

Key Audit Matter	How our audit addressed this matter
<b>Share Based Payments – Note 12 &amp; 16</b>	
<p>During the year, the Group issued:</p> <ul style="list-style-type: none"> <li>• Share appreciation rights to key management personnel and employees; and</li> <li>• Options to the facilitators for the acquisition of the Menzies and Goongarrie Gold Projects.</li> </ul> <p>We determined this to be a key audit matter due to the material amount of the share-based payment and the significant judgement involved in assessing the fair value of the transactions.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> <li>• Obtaining the valuation models prepared by management and assessing whether the models were appropriate for valuing the share appreciation rights and options issued during the year;</li> <li>• Assessing the reasonableness of the assumptions used in the models; and</li> <li>• Reviewing the adequacy and accuracy of the relevant disclosures in the financial statements.</li> </ul>

## Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2020 but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.



## **Auditor's Responsibilities for the Audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [https://www.auasb.gov.au/auditors\\_responsibilities/ar2.pdf](https://www.auasb.gov.au/auditors_responsibilities/ar2.pdf). This description forms part of our auditor's report.

## **Report on the Remuneration Report**

### *Opinion on the Remuneration Report*

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2020.

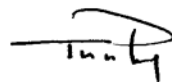
In our opinion, the Remuneration Report of Kingwest Resources Limited, for the year ended 30 June 2020, complies with section 300A of the Corporations Act 2001.

### *Responsibilities*

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

A handwritten signature in dark ink that reads 'RSM'.

RSM AUSTRALIA PARTNERS

A handwritten signature in dark ink, appearing to read 'Tutu Phong'.

TUTU PHONG  
Partner

Perth, WA  
Dated: 7 September 2020

**Kingwest Resources Limited****ABN 58 624 972 185****SCHEDULE OF EXPLORATION TENEMENTS**

The information is current as at 25 August 2020:

PROJECT	TENEMENT	TENURE TYPE	STATUS	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%
	P29/2578	PROSPECTING	GRANTED	100%
	P29/2579	PROSPECTING	GRANTED	100%
	P29/2580	PROSPECTING	GRANTED	100%
	P29/2582	PROSPECTING	GRANTED	100%
	P29/2584	PROSPECTING	GRANTED	100%
	P29/2585	PROSPECTING	GRANTED	100%
	P29/2450	PROSPECTING	GRANTED	100%
GOONGARRIE	E29/966	EXPLORATION	GRANTED	100%
	E29/1062	EXPLORATION	GRANTED	100%

**Kingwest Resources Limited****ABN 58 624 972 185****SCHEDULE OF EXPLORATION TENEMENTS**

---

PROJECT	TENEMENT	TENURE TYPE	STATUS	KWR CURRENT INTEREST
(Western Australia)	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%

# Kingwest Resources Limited

ABN 58 624 972 185

## SHAREHOLDER INFORMATION

The following additional information is required by the Australian Securities Exchange Ltd in respect of listed public companies only. The information is current as at 25 August 2020.

### 1. Shareholding

#### a. Distribution of Shareholders

##### (i) Ordinary share capital

- 121,905,376 fully paid shares held by 753 shareholders. All issued ordinary share carry one vote per share and carry the rights to dividends.

Category (size of holding)	Class of Equity Security	
	Number of Holders	Fully Paid Ordinary Shares
1 - 1,000	14	2,731
1,001 – 5,000	80	283,088
5,001 – 10,000	130	1,087,952
10,001 – 100,000	336	14,718,113
100,001 – and over	193	105,813,492
	<b>753</b>	<b>121,905,376</b>

b. The number of shareholdings held in less than marketable parcels is 44.

c. The Company had the following substantial shareholders at the date of this report.

#### Fully Paid Ordinary Shares

Holder	Number	%
Horizon Minerals Limited	20,000,000	16.41
1832 Asset Management LP	7,069,443	5.80

#### d. Voting Rights

The voting rights attached to each class of equity security are as follows:

Ordinary shares

- Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

# Kingwest Resources Limited

ABN 58 624 972 185

## SHAREHOLDER INFORMATION

### e. 20 Largest holders of quoted equity securities (fully paid ordinary shares)

	Name	Number Held	Percentage %
1.	HORIZON MINERALS LIMITED	20,000,000	16.41%
2.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	7,461,027	6.12%
3.	AURALIA HOLDINGS PTY LTD	3,111,800	2.55%
4.	CENTRAL IRON ORE LIMITED	2,700,000	2.21%
5.	MAJI MAZURI PTY LTD & MAWINGO PTY LTD	2,040,000	1.67%
6.	DAVANNA PTY LTD	2,000,000	1.64%
7.	JEFF TOWLER BUILDING PTY LTD	1,950,000	1.60%
8.	MR STEPHEN KAM LO TONG & MRS PATSY LIN HAP TONG <BIALLA SUPER FUND A/C>	1,950,000	1.60%
9.	CS THIRD NOMINEES PTY LIMITED <HSBC CUST NOM AU LTD 13 A/C>	1,544,641	1.27%
10.	NATIONAL NOMINEES LIMITED <DB A/C>	1,435,050	1.18%
11.	PYLARA PTY LTD	1,300,000	1.07%
12.	DELBRIS PTY LTD <SAXON S/FUND A/C>	1,210,000	0.99%
13.	MR WILLIAM ALAN OLIVER & MRS BRYONY NICOLLE NORMAN OLIVER <BANDN S/F A/C>	1,203,500	0.99%
14.	DRP CARTONS (NSW) PTY LIMITED <DRP CARTONS NSW P/L S/F A/C>	1,200,000	0.98%
15.	TUFFAGOLD PTY LTD	1,197,000	0.98%
16.	MR CLIVE LEDGER HARCOMBE HILL & MS ROBIN SALLY HILL <CLIVE HILL SUPER FUND A/C>	1,000,001	0.82%
17.	KIANDRA NOMINEES PTY LTD	1,000,000	0.82%
18.	MR DOMINIC OHANLON & MRS KAREN OHANLON <OHANLON SUPER A/C>	1,000,000	0.82%
19.	BERNE NO 132 NOMINEES PTY LTD <152417 A/C>	1,000,000	0.82%
20.	VALIANT EQUITY MANAGEMENT PTY LTD <THE BYASS FAMILY A/C>	1,000,000	0.82%
		55,303,019	45.37%

2. The Name of the Company Secretary is Mr David McEntaggart.

3. The address of the registered office is Level 11, 216 St Georges Terrace, Perth WA 6000. The address of the principal place of business is Unit3, Churchill Court, 335 Hay Street Subiaco WA 6008. Telephone (08) 9481 0389.

## Kingwest Resources Limited

ABN 58 624 972 185

### SHAREHOLDER INFORMATION

---

4. Registers of securities are held at the following address:  
Automic Group  
Level 2, 267 St Georges Terrace  
Perth WA 6000
5. **Stock Exchange Listing**  
Quotation has been granted for all the ordinary shares of the company on the Australian Securities Exchange Limited.
6. **Restricted Securities**  
The Company has the following restricted securities on issue as at the date of this report
  - 20,000,000 fully paid ordinary shares – escrowed to 18 March 2021
7. **Unquoted Securities**  
The Company has the following unquoted securities on issue as at the date of this report:
  - 15,750,000 options exercisable at \$0.20 on or before 30 June 2021
  - 2,700,000 options exercisable at \$0.39 on or before 30 June 2022
  - 5,150,000 options exercisable at \$0.54 on or before 30 June 2022
  - 2,970,000 share appreciation rights with a strike price of \$0.28 expiring 7 October 2024

### Use of Funds

Between the date of listing on ASX and the date of this report the Company has used the cash and assets in a form readily convertible to cash that it had at the time of admission in a way consistent with its business objectives and as set out in the Prospectus dated 24 May 2018 and its supplementary prospectus dated 27 July 2018.