

**Kingwest Resources Ltd**

**ASX: KWR**

**Shares on Issue**  
51,416,060

**Directors & Management**

**Chairman**  
Peter Bennetto

**Director / CEO**  
Stephen Woodham

**Non-Executive Director**  
Stephen Brockhurst

**Company Secretary**  
David McEntaggart

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30 July 2019

**ASX via Electronic Lodgement**

**Quarterly Report**  
**for the period ending 30 June 2019**

**Highlights**

- **Drilling completed at King of the West, Gambier Lass North and Crawford Projects**
- **Subsequent to quarter end the acquisition of the Menzies Gold Project was announced**

West Australian focussed gold explorer, Kingwest Resources Ltd is pleased to present the June 2019 Quarterly Report.



*RC Drilling at King of the West*

After a very busy 6 months to March 2019, where the focus was on more greenfields exploration the June quarter was focussed on RC drilling the more advanced projects in the company's portfolio. The Mineral Resource at Crawford provides a solid platform on which to grow the company's gold inventory. While there are no mineral resources at King of the West or Gambier Lass North the current drilling programs are designed to provide a first pass assessment of the potential of these projects.

The Crawford deposit containing in excess of 100,000oz of Inferred Resource<sup>1</sup> is open along strike to the north and south as well as down dip. The current program is designed to assess the potential of the extensions and, if successful, add to the Mineral Resource.

A more detailed summary of the drilling programs is provided below:

### **Gambier Lass North**

A program of 14 holes totalling 1,693m was drilled at Gambier Lass North. These holes were testing historical RAB drilling that returned some high-grade intersections including 6m @ 3.24g/t from 38m, 7m @ 1.52g/t from 23m and 5m @ 1.1g/t from 60m<sup>1</sup>.

The drilling program was successful in delineating mineralisation. Figure 1 illustrates the mineralisation styles at Gambier Lass North. High-grade primary mineralisation was intersected in the southern most line drilled (Figure 2). This quartz lode is interpreted as a continuation of the historic Gambier Lass mine located 600m to the south (not on Kingwest tenement, see Figure 3).

Historic production at the Gambier Lass mine is recorded as 11,000t @ 25g/t, producing 8,500oz.

In addition to the primary, quartz hosted mineralisation shallow, supergene mineralisation was also delineated in the drilling. This mineralisation appears to form a blanket over the primary gold lodes. The historic RAB drilling intersections are all interpreted as supergene mineralisation in the oxide zone.

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<sup>1</sup> Details can be found in the ASX announcement dated 22 August 2018

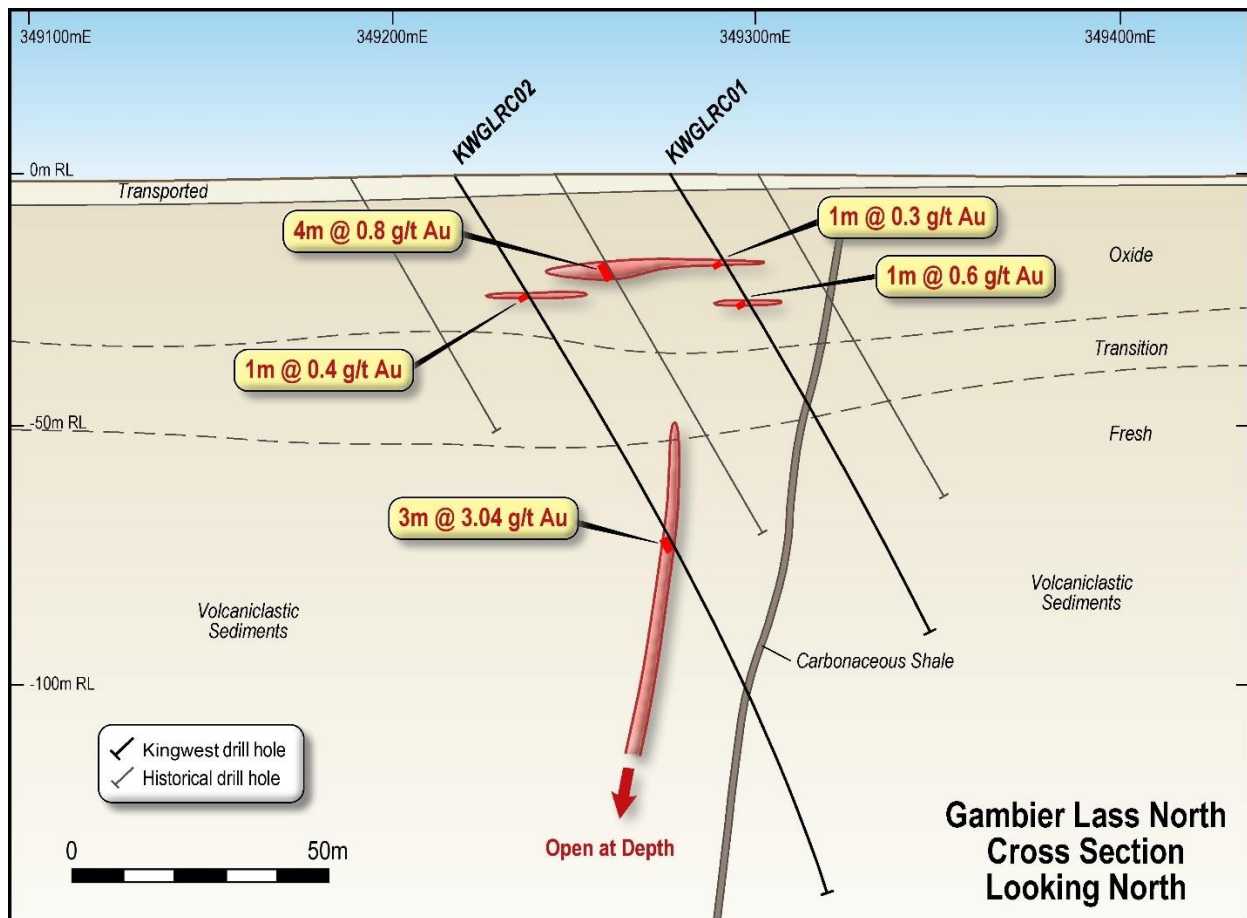


Figure 1: Cross-section through Gambier Lass North drilling



*Figure 2: Mineralised interval in KWGLRC02 showing quartz vein, 3m @ 3.04g/t*

Drill spacing in the southern part of the lease is 200m. Follow up infill drilling will be required to delineate additional primary and supergene mineralisation. Figure 3 shows the location of the historic Gambier Lass mine and the interpreted northern extension into the Kingwest tenement. The lode is interpreted to continue under cover therefore excluding surface exposure. Future work programs will focus on extending the known mineralisation to the north and south of the current drill hits.



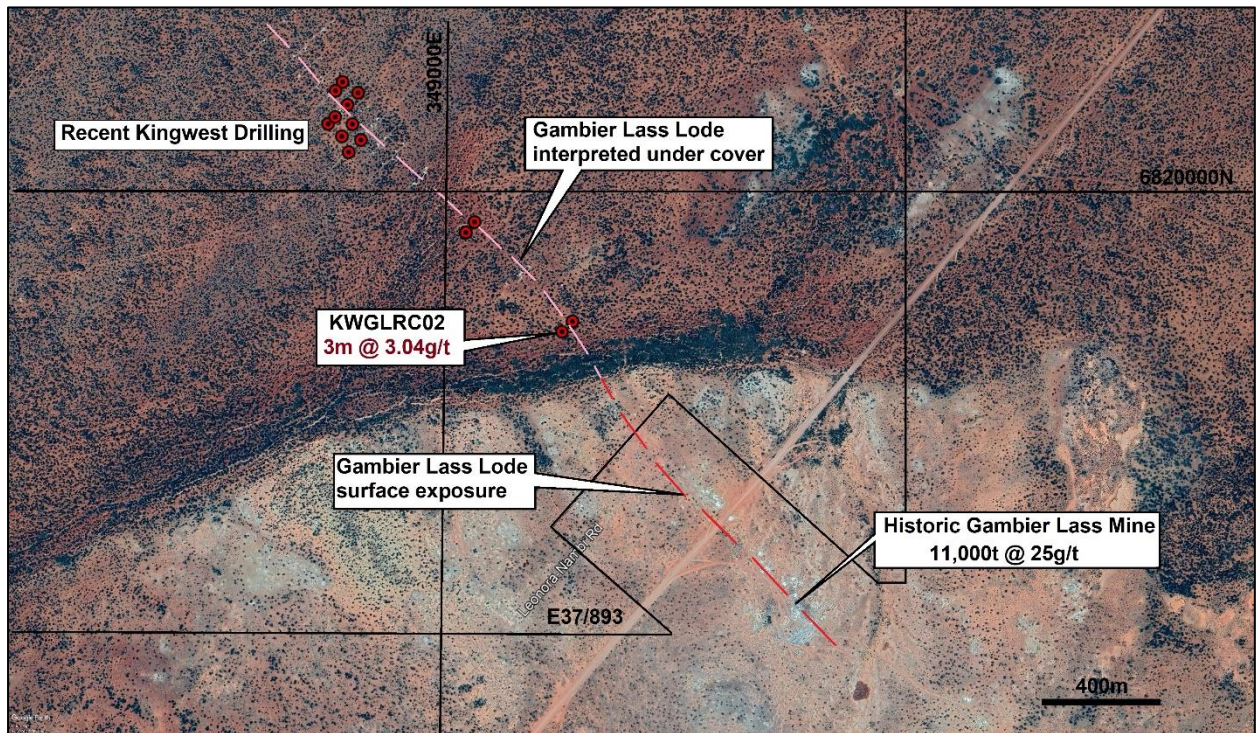


Figure 3: Plan of Gambier Lass North Project with Kingwest drilling and historic Gambier Lass mine

## Crawford

A drilling program of 13 holes totalling 2,073m was completed at the Crawford deposit.

The recent drilling combined with an exercise in re-logging available historic holes has resulted in an updated geological interpretation for the Crawford mineralisation. Previously mineralisation was interpreted as a series of shallow, west dipping, stacked lodes. The recent drilling program was targeting down dip extensions to these lodes, however several holes failed to intersect gold mineralisation in the primary, fresh zone. It is now apparent that the bulk of gold mineralisation at Crawford represents remobilised, secondary mineralisation within the lower oxide zone.

Figures 4 and 5 illustrate the re-interpretation from the recent drilling program, resulting in a bulk near surface free-digging ore body. Figures 5 illustrates that the mineralised zone within the lower oxide region of the ore body remains open to the east.

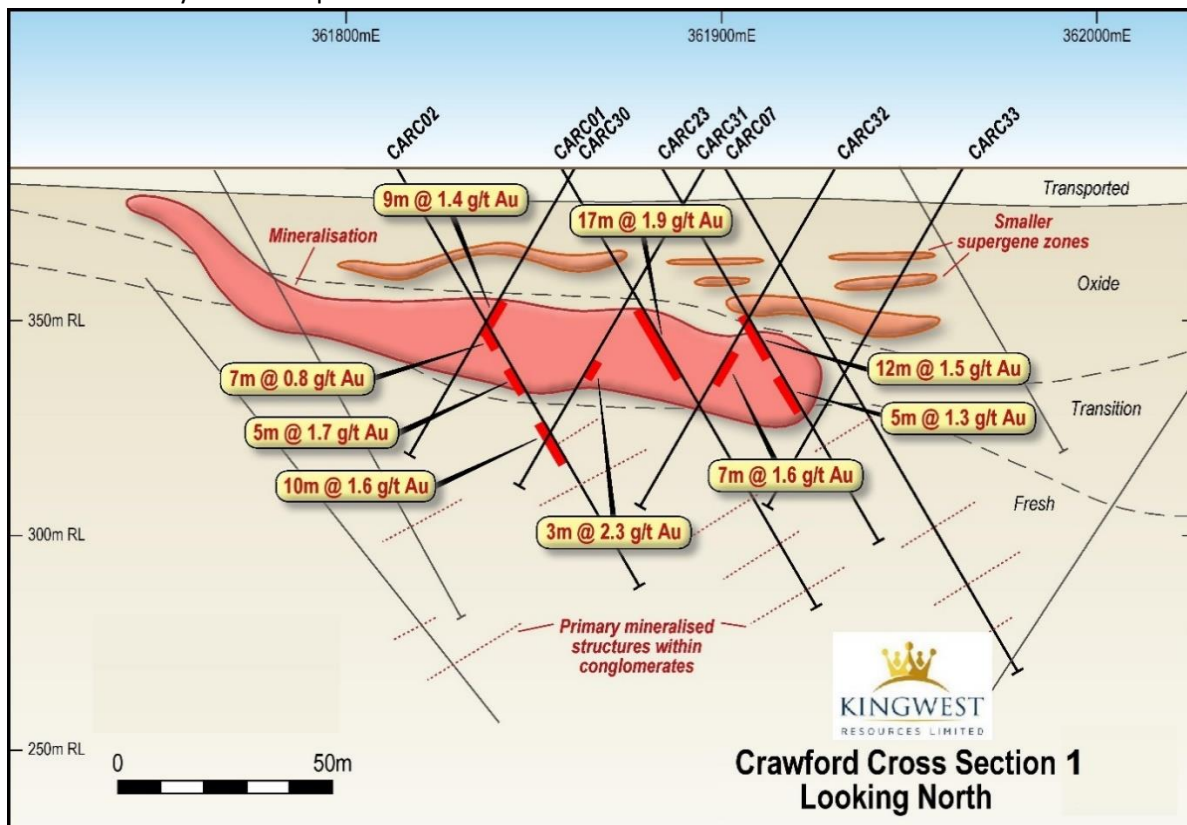


Figure 4: Cross section 1 through Crawford

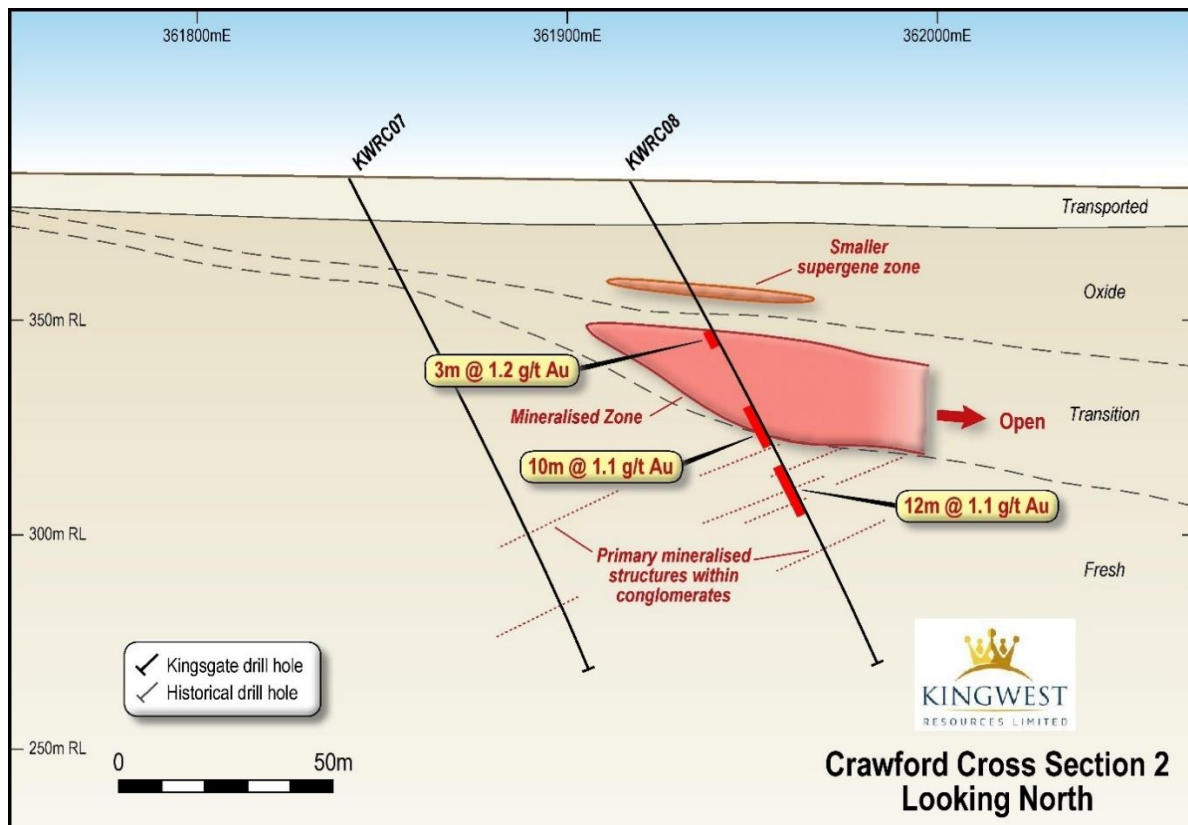


Figure 5: Cross section 2 through Crawford

The host rock is a sequence of sediments and conglomerates with mineralisation in the primary zone restricted to favourable conglomerate zones. These favourable sequences may or may not be continuous along strike or dip. Figure 6 shows primary mineralisation intersected in hole KWRC08. The host conglomerates are altered and bleached with trace pyrite; apparent is the erratic distribution of gold mineralisation. This is typical of the primary mineralisation.

The oxidised mineralisation shows increased continuity due to remobilisation of the gold and this is the main exploration target.



83	84	85	86	87	88	89	90	91
3.62g/t	0.73g/t	0.07g/t	0.23g/t	1.48g/t	0.16g/t	0.03g/t	0.04g/t	5.01g/t
84	85	86	87	88	89	90	91	92
								

Figure 6: Mineralised interval in KWCRC08, part of 12m @ 1.08g/t 80m-92m

Previous drilling has been targeting depth extensions in the fresh rock as they dip towards the west. It is now apparent that mineralisation may continue to the east as the weathering profile deepens. Figure 7 shows the location of all RC and diamond drilling collars. The bulk of drilling has focussed on the core area with little to the north and south along strike. Crawford is well placed near major infrastructure and is located on a granted mining lease to expedite any mining plans if the mining study proves to be positive.



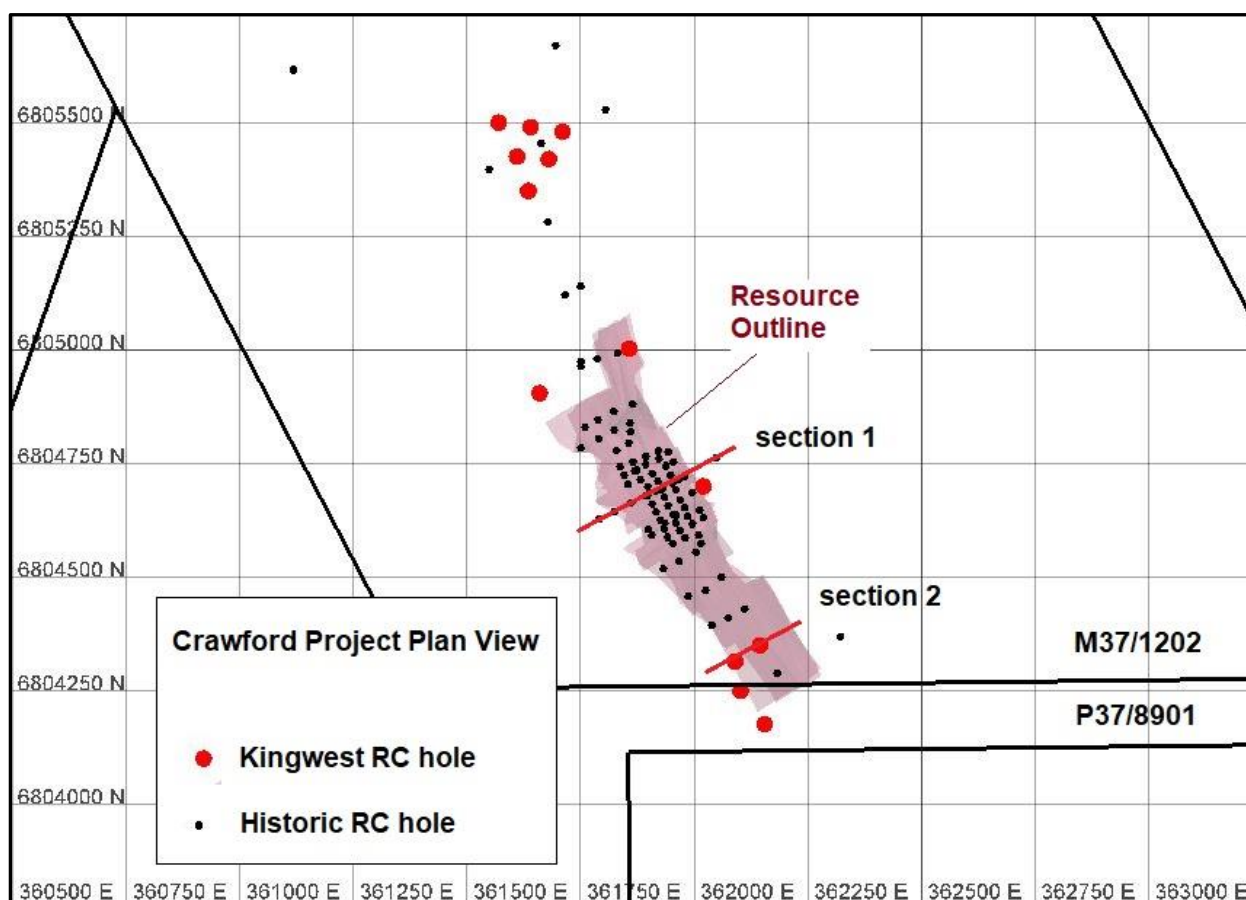


Figure 7: Map of Crawford Resource area and completed RC drillholes

Six holes were drilled to the north of the current resource area. Four of these holes intersected an un-mineralised mafic intrusive. This has been interpreted as a later stage Proterozoic mafic dyke.

There is no RC drilling north of this area and this remains a prime target for future exploration.

### King of the West

A program of 7 holes totalling 980m was completed targeting high grade mineralisation beneath old workings. Drilling targeted the King of the West and Queen of the West vein systems.

Two holes were drilled into the King of the West lode targeting extensions to the previously announced high grade intersection in hole KWRC007; 15m @ 9.18g/t from 60m. The two holes were drilled either side of, and below, the high-grade intersection. Neither hole intersected significant gold mineralisation.

Drilling into the Queen of the West lode targeted extensions at depth of old, shallow workings where high grade chip samples were collected. Chip samples of 7.08g/t, 2.41g/t and 17.4g/t were collected in August 2018 (see ASX announcement 6 September 2018). Five holes were drilled with none of them intersecting significant gold mineralisation.

## **Menzies Gold Project Acquisition**

Subsequent to the end of the quarter, the Company has reached a conditional agreement to purchase 100% 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). 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.

KWR believes the MGP has considerable exploration upside and production potential. This belief is based on the detailed data and exploration history review to date which supports the structural control model KWR plans to test. This model is based not only on extensions of known high-grade shoots but repeats of this style of high-grade gold mineralisation.

As part of the acquisition KWR will transition key management and Board roles with Ed Turner, the founding CEO and later GM Geology and Exploration Manager of Galena Mining Limited (“Galena”) (ASX: G1A) moving into the role of CEO at KWR. Adrian Byass, founding Chairman of Galena will be joining as Chairman of KWR and Jon Price, Managing Director of project vendor; Intermin Resources will also be joining the Board as Non-Executive Director. Peter Bennetto will resign as Chairman and Director, and Stephen Woodham will step down as CEO but remain a Non-Executive Director of KWR.

The acquisition is subject to the following key conditions precedent:

- Completion of due diligence by KWR;
- Completion of a minimum \$4M capital raising; and
- Shareholder approval for the issue of the consideration shares and shares under the capital raising.

The Company has commenced its due diligence activities and is in the process of dispatching a notice of meeting to shareholders seeking approval for the required items contemplated as part of the transaction.

**Table 1: Drillhole details**

Hole	Project	Easting	Northing	Dip	Azimuth	Depth	From m	To m	Length m	Grade g/t
KWGLRC01	Gambier Lass North	349320	6819630	-60	42	103	NSI			
KWGLRC02	Gambier Lass North	349290	6819600	-60	42	163	81	84	3	3.04
KWGLRC03	Gambier Lass North	349035	6819910	-60	42	103	45	48	3	1.98
KWGLRC04	Gambier Lass North	349010	6819880	-60	42	184	78	81	3	0.6
KWGLRC05	Gambier Lass North	348705	6820140	-60	42	103	77	78	1	1.21
							48	51	3	0.72
KWGLRC06	Gambier Lass North	348670	6820105	-60	42	103	63	68	5	0.74
KWGLRC07	Gambier Lass North	348680	6820185	-60	42	102	23	35	12	1.08
							61	62	1	2.84
KWGLRC08	Gambier Lass North	348650	6820150	-60	42	101	49	52	3	0.72
KWGLRC09	Gambier Lass North	348695	6820275	-60	42	103	NSI			
KWGLRC10	Gambier Lass North	348665	6820240	-60	42	102	13	18	5	1.42
KWGLRC11	Gambier Lass North	348630	6820205	-60	42	102				
KWGLRC12	Gambier Lass North	348610	6820185	-60	42	182	33	35	2	0.43
KWGLRC13	Gambier Lass North	348650	6820305	-60	42	102	76	81	5	0.2
KWGLRC14	Gambier Lass North	348630	6820280	-60	42	140	NSI			
KWCRC01	Crawford	361640	6805490	-60	60	182	NSI			
KWCRC02	Crawford	361710	6805480	-60	60	102	NSI			
KWCRC03	Crawford	361610	6805425	-60	60	182	NSI			
KWCRC04	Crawford	361680	6805420	-60	60	157	38	44	6	0.38
							54	55	1	4.41
							67	71	4	0.35
KWCRC05	Crawford	361570	6805500	-60	60	182	NSI			
KWCRC06	Crawford	361635	6805350	-60	60	182	NSI			
KWCRC07	Crawford	362090	6804315	-60	60	180	153	154	1	2.76
KWCRC08	Crawford	362145	6804350	-60	60	180	28	31	3	0.67
							40	43	3	1.17
							48	49	1	1.34
							60	70	10	1.10
							80	92	12	1.08
KWCRC09	Crawford	361857	6805003	-60	60	120	NSI			
KWCRC10	Crawford	362102	6804250	-60	60	182	NSI			
KWCRC11	Crawford	362155	6804177	-60	60	182	NSI			
KWCRC12	Crawford	362020	6804700	-60	240	122	91	97	6	0.91
KWCRC13	Crawford	361660	6804905	-60	60	120	NSI			
KWRC08	King of the West	322500	6858975	-55°	180°	197	NSI			
KWRC09	King of the West	322540	6858960	-55°	180°	194	NSI			
KWRC10	King of the West	323360	6857360	-55°	180°	117	NSI			
KWRC11	King of the West	323400	6857350	-55°	180°	118	NSI			



Hole	Project	Easting	Northing	Dip	Azimuth	Depth	From m	To m	Length m	Grade g/t
KWRC12	King of the West	323520	6857295	-55°	180°	118	111	112	1	0.5
KWRC13	King of the West	323560	6857275	-55°	180°	118	NSI			
KWRC14	King of the West	323600	6857265	-55°	180°	118	NSI			

## Tenement information for the quarter ending 30 June 2019

PROJECT	TENEMENT	AREA (km <sup>2</sup> )	TENURE TYPE	STATUS	GRANT DATE	EXPIRY DATE	CHANGE IN INTEREST	KWR CURRENT INTEREST
CRAWFORD (Western Australia)	M37/1202	8.90	MINING	GRANTED	4/02/2008	3/02/2029	-	75%
	P37/8901	1.98	PROSPECTING	GRANTED	26/07/2017	25/07/2021	-	100%
GAMBIER LASS NORTH (Western Australia)	E37/0893	26.27	EXPLORATION	GRANTED	22/08/2008	21/08/2020	-	75%
KING OF THE WEST (Western Australia)	E37/1253	17.91	EXPLORATION	GRANTED	6/09/2016	5/09/2021	-	100%
EMPEROR (Western Australia)	E37/0882	67.68	EXPLORATION	GRANTED	26/03/2006	25/03/2020	-	100%
	E37/1054	21.19	EXPLORATION	GRANTED	1/04/2011	1/04/2021	-	100%
	E37/1086	3.03	EXPLORATION	GRANTED	12/08/2011	12/08/2021	-	100%
	E37/1319	25.84	EXPLORATION	GRANTED	18/04/2018	17/04/2023	-	100%
	E37/1321	36.33	EXPLORATION	GRANTED	2/08/2018	1/08/2023	-	100%
	E37/1322	42.39	EXPLORATION	GRANTED	2/08/2018	1/08/2023	-	100%
ROMAN WELL (Western Australia)	E37/1252	21.17	EXPLORATION	GRANTED	6/09/2016	5/09/2021	-	100%
GREYMARE WELL (Western Australia)	E37/1284	187.70	EXPLORATION	GRANTED	6/04/2017	5/04/2022	-	100%
BIG WELL (Western Australia)	E37/1285	208.57	EXPLORATION	GRANTED	26/04/2017	25/04/2022	-	100%
	E37/1314	87.66	EXPLORATION	GRANTED	2/08/2018	1/08/2023	-	100%

## About Kingwest Resources Ltd.

Kingwest Resources Ltd. (ASX KWR) is a minerals exploration company established to explore for gold near Leonora, in the North East Goldfields region of Western Australia. The company has an extensive tenement holding of over 900km<sup>2</sup> with projects that include:

- **Crawford Project**, with an inferred JORC compliant resource of 3.34Mt @ 0.96g/t Au for 104,000 ounces contained gold<sup>1</sup>. The deposit is close to surface and remains open at depth and along strike.
- **Gambier Lass North Project**. Located directly along strike from the Gambier Lass Mine this area has numerous, near surface, historic drill intercepts.
- **Emperor Project**. Located at the southern end of the Yandal Greenstone Belt, this project sits to the south and west of the Darlot Mine. Several mineralised and anomalous trends are present that extend onto KWR's tenements.
- **Roman Well Project**. Situated on the northern continuation of the Mertondale Shear Zone and contains a 600m long, coherent Au, As, Cu, Zn soil anomaly.
- **King of the West Project**. Located adjacent to the Keith – Kilkenny Tectonic Zone this project contains multiple poorly tested, historic gold workings with surface sampling to 168g/t Au and 45g/t Ag.

### 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 Richard Maddocks, a Competent Person who is a Fellow of The Australasian Institute of Mining and Metallurgy. Mr. Maddocks is employed as an independent consultant to the Company. Mr. Maddocks has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Maddocks consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

<sup>1</sup> *The information contained in this report referring to Exploration Results is extracted from the reports entitled 'Prospectus' released on August 22 2018, 'Drilling Confirms Potential Resource Target and Extension' released on June 5 2019 and 'Major Acquisition of the Menzies Gold Project', dated July 9 2019, all available to view on [www.kingwestresources.com.au](http://www.kingwestresources.com.au) or the ASX website under the code KWR. The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.*