

Kingwest Resources Ltd

ASX: KWR

Shares on Issue
100,582,726

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29 January 2020

ASX via Electronic Lodgement

Quarterly Report for the period ending 31 December 2019

Highlights

- Inaugural 7,466 metre drill program completed at the Menzies Gold Project (MGP) during the quarter
- Programme designed to test under several deposits at Menzies to allow focussed Phase 2 exploration drilling
- Results confirm the grade and widths of high-grade historic underground mining with identification of the thicker 'plunging shoots' now possible
- Next phase of drilling to target these high-grade 'plunging shoots'
- 2018 Feasibility Study for Goongarrie Lady being reassessed with opportunities to divest/sell/partner development
- High grade gold intersected at all targets (Yunndaga, Lady Shenton, Pericles, Selkirk and First Hit Deposits). These included:
 - **2.5m @ 23 g/t Au** including 1.1m @ 52 g/t Au from 121.52m in KWD030 (First Hit)
 - **4.9m @ 8.4 g/t Au** including 0.93m @ 36.20 g/t Au from 126.27m in KWD008 (Pericles)
 - **2.3m @ 8.3 g/t Au** including 0.78m @ 21.6 g/t Au from 106.22m from 105.7m in KWD003 (Selkirk)
 - **1.3m @ 19.8 g/t Au** including 0.3m @ 64.4g/t Au from 92.3m and:
 - **2.3m @ 17.9g/t Au** including 1.2m @ 33.8g/t Au from 99.65m in KWD032 (Yunndaga)
 - **1.50m @ 14.3 g/t Au** including 0.30m @ 71.30g/t Au from 292.10m in KWD027 (Lady Shenton) and:
 - **2.9m @ 5.8g/t Au** including 0.30m @ 45.80g/t Au from 52.10m in KWD027 (in new lode west of Lady Shenton)

The company believes these represent high-grade gold intercepts in mineable width (mechanised or hand held) style operations.

Kingwest Resources Ltd is pleased to present the December 2019 Quarterly Report.

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. Whilst Goongarrie has a proven record of production and there is exploration upside, the focus of KWR in the short term will be the MGP.

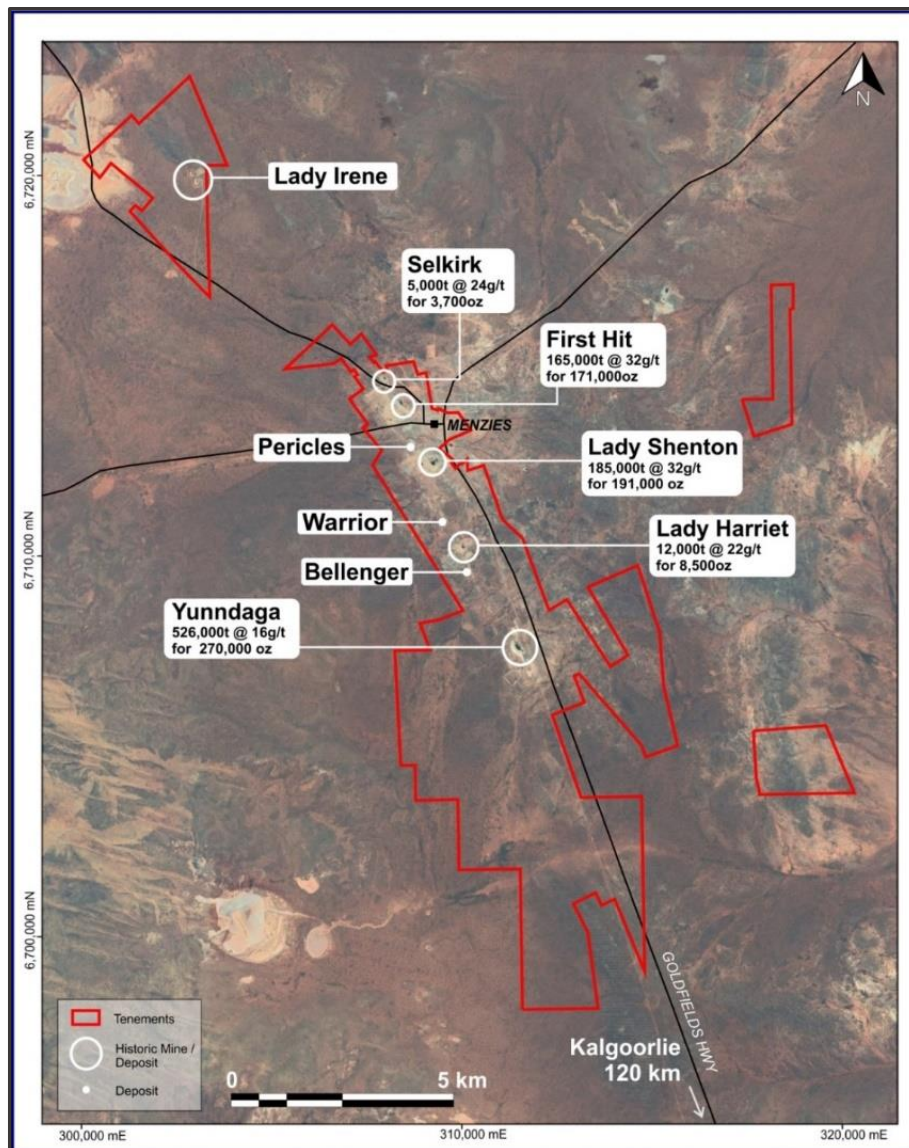
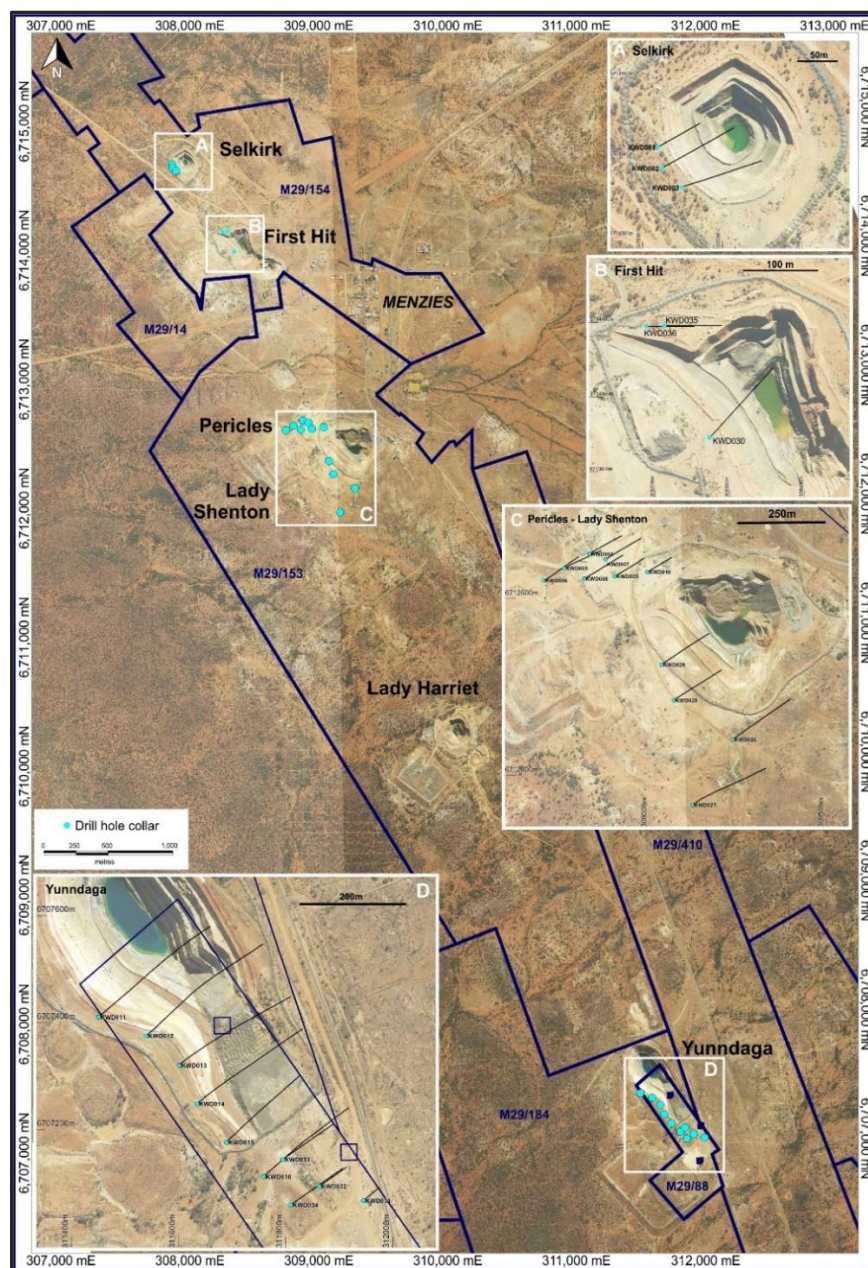


Figure 1: Menzies Project deposits, historic production figures and tenement boundaries.

Drilling Programme Summary

The 2019 drill programme has been completed with 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 (Figure 2). An additional nine RC pre collars have been completed for 558m (KWD017 – 025) at Lady Irene and Lady Shenton (Table 2 contains drill hole details).

The programme has been 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 Yunnadaga. Now that we have successfully determined the location of high grade shoots below the high grade mines, Kingwest will focus in better defining these lodes with a view to build a resource for mine studies.



A summary of drilling completed at each deposit follow:

At **Yunndaga** ten holes have been completed (KWD011 - KWD016, KWD031 - 034) by Kingwest 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 returned 2.4m @ 14.7 g/t Au from 558.9m in DDH1 (Figure 3). 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) (Figures 3 and 4).

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.

Intersecting remnant mineralisation in the hanging wall of the stope is highly significant. This means there may be more similar high-grade mineralisation remaining in the stope walls throughout the Princess May shoot and this will need to be drill tested in 2020. The drilling also shows that the historic records of the stopes may not be totally accurate and this needs to be investigated further.

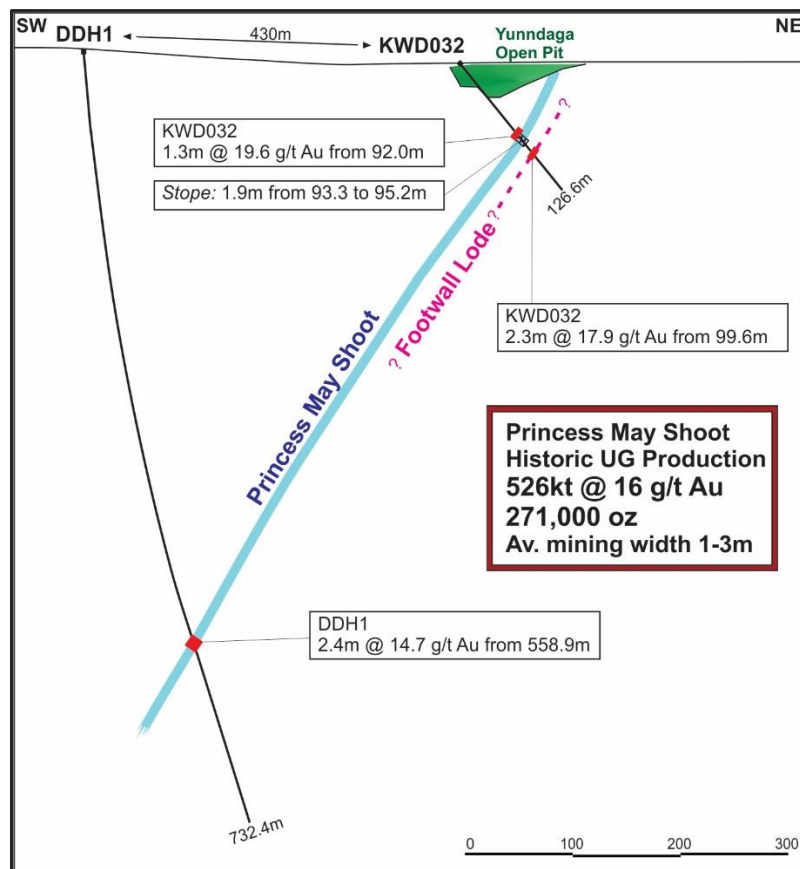


Figure 3: Schematic cross section of the Princess May Shoot, the deepest drill intersection within the MGP (DDH1), and location of new footwall lode.

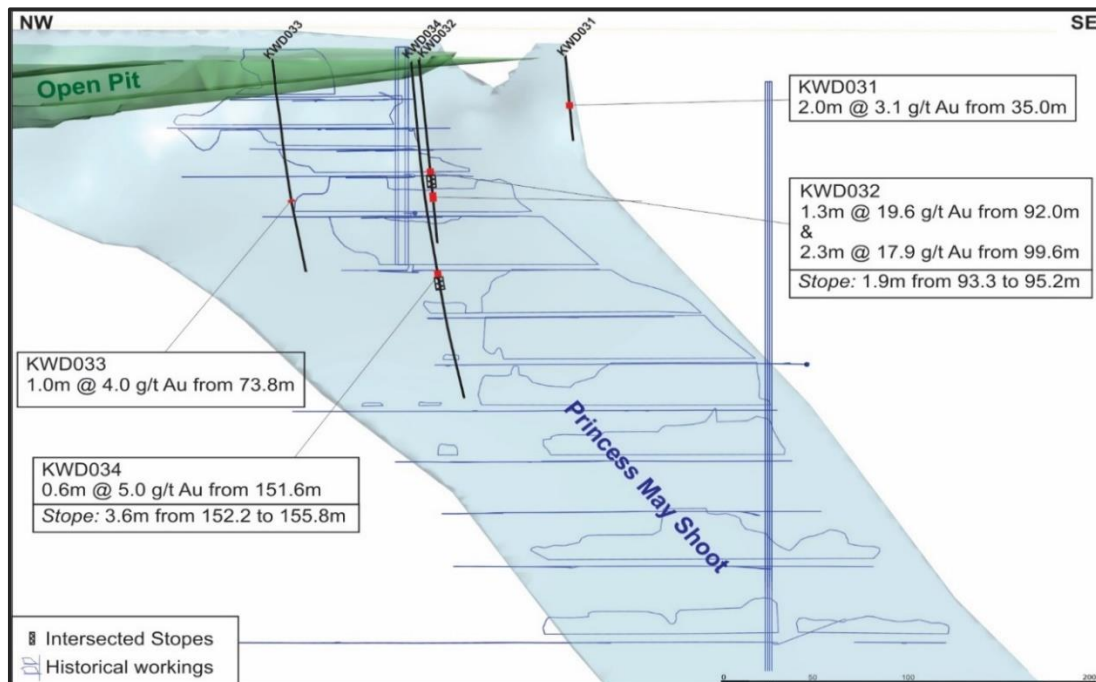


Figure 4: Princess May Long Section at Yunndaga with KWR drill intersections and historic Princess May shoot underground workings

At **Selkirk** three holes (KWD001 – 003) have been completed for a total of 443.6 metres with high grade intersections in each of the holes (see Figure 5 for a long section of the drill pierce points). The lode remains open down plunge.

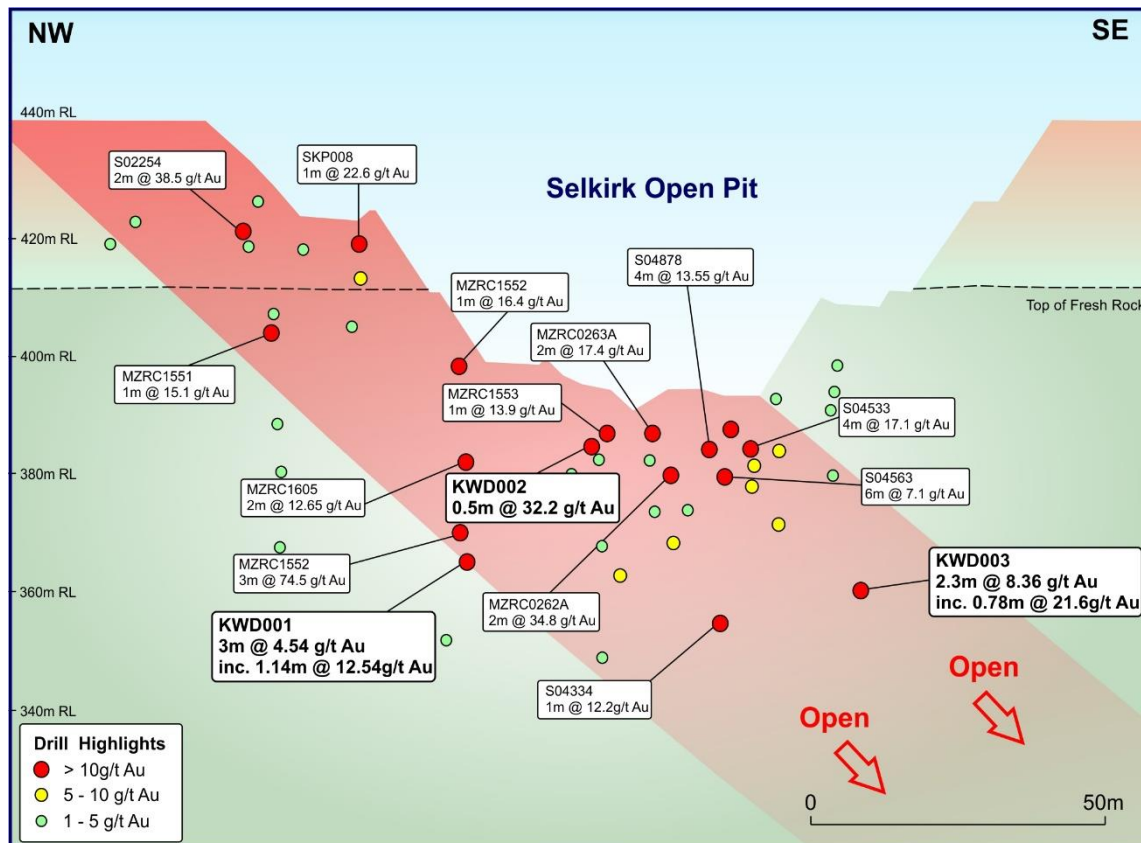


Figure 5: Selkirk long section showing KWD001 - KWD003 pierce points and historic intersection pierce points

At **Pericles** seven holes have been completed (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 (see Figure 6).

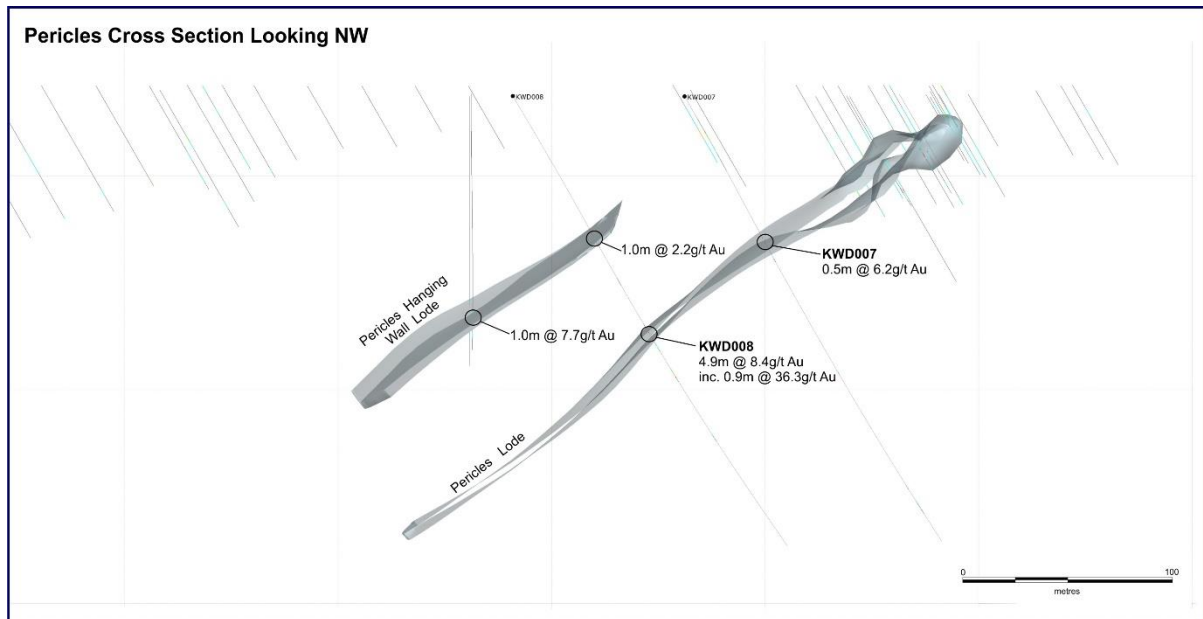


Figure 6: Pericles cross section

At **Lady Shenton** four holes for 1,428 metres (KWD026 – 029) have been completed along with seven RC pre collars for 408 metres (KWD020 – 025). The diamond core tails to these pre collars will be drilled in 2020. Assays are pending for KWD028 and KWD029.

KWD027 successfully targeted the down dip extension of the Lady Shenton lode despite deviating significantly to the south (Figure 7) 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. Another hole will be drilled this year further to the north targeting the centre of the shoot.

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 may align with one of the Pericles lodes and follow up drilling will test for this possibility in 2020.

Although KWD026 did not intersect the Lady Shenton lode it did intersect a number of significant intersections down dip from the Big Babe lode which is a footwall lode (Table 1). The best of these was **3.40m @ 2.12 g/t Au** from 253.57 metres.

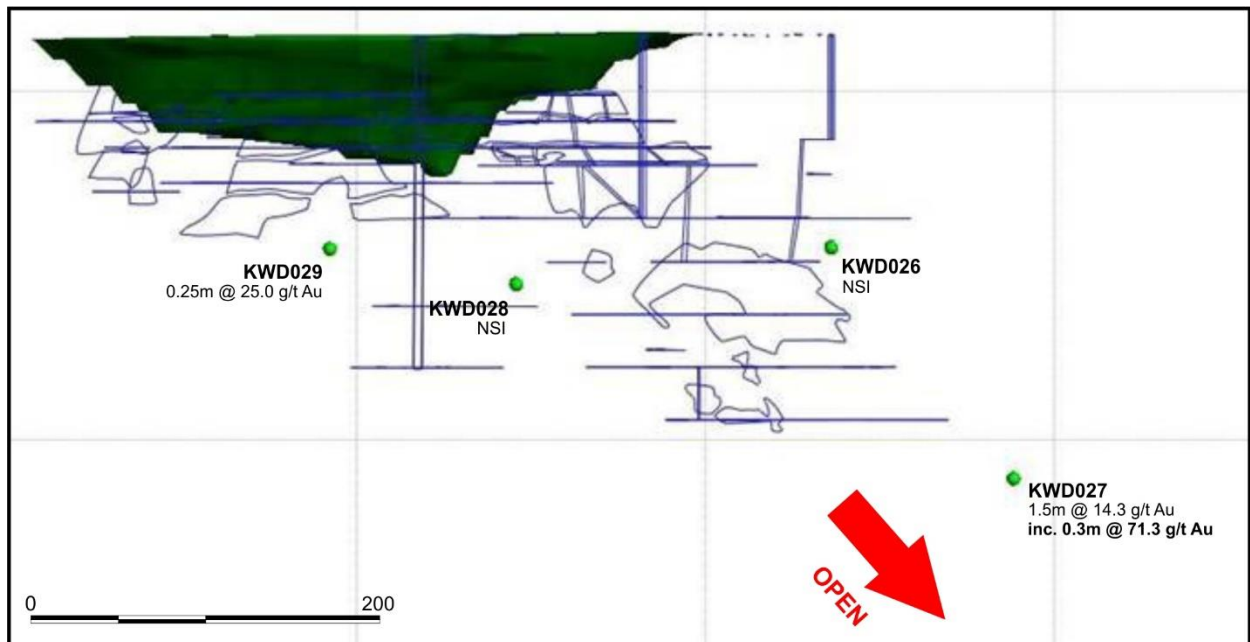


Figure 7: Lady Shenton long section showing historic underground and open cut workings and KWR 2019 drill intersection points (N.B. only Lady Shenton lode shown, footwall and hanging wall lodes not shown)

GOONGARRIE LADY

Kingwest owns the Goongarrie Lady deposit approximately 40km south of the MGP. A Feasibility Study (FS) was completed in 2018 when the prevailing gold price was significantly lower. This FS envisaged an open pit operation utilising contract mining, haulage and toll treating. The gold price assumed was A\$1,700 per ounce gold and the FS returned a strongly positive result (ASX release Horizon Minerals Limited (ASX: HRZ) (formerly Intermin Resources Limited) 28th June 2018).

In light of the strong A\$ gold price environment (currently +A\$2,300 per ounce gold) the Company is revisiting this with a desire to partner/share risk in development through either asset sale or profit share development.

Goongarrie Lady is on a granted Mining Lease.

HISTORIC MINING AND DRILLING

A comprehensive review of all open file data is ongoing. This includes reviewing all historic exploration and mining data and reports available at the Department of Mines, Industry Regulation and Safety (DMIRS). This review has revealed that more than 5,000 historic workings exist within the MGP (Figure 8) and therefore confirms the prospectivity of the project. Whilst many of these are shallow prospector workings a large number of deeper shafts and workings identify mineralised trends outside of the largest historical producing mines and these trends need to be followed up. Updated 3D geological models are being developed with surface geological mapping and logged diamond core data being integrated into the models. Detailed aeromagnetic data will also be compared to the locations of the workings in order to better determine the structural controls of the mineralised lodes and trends.

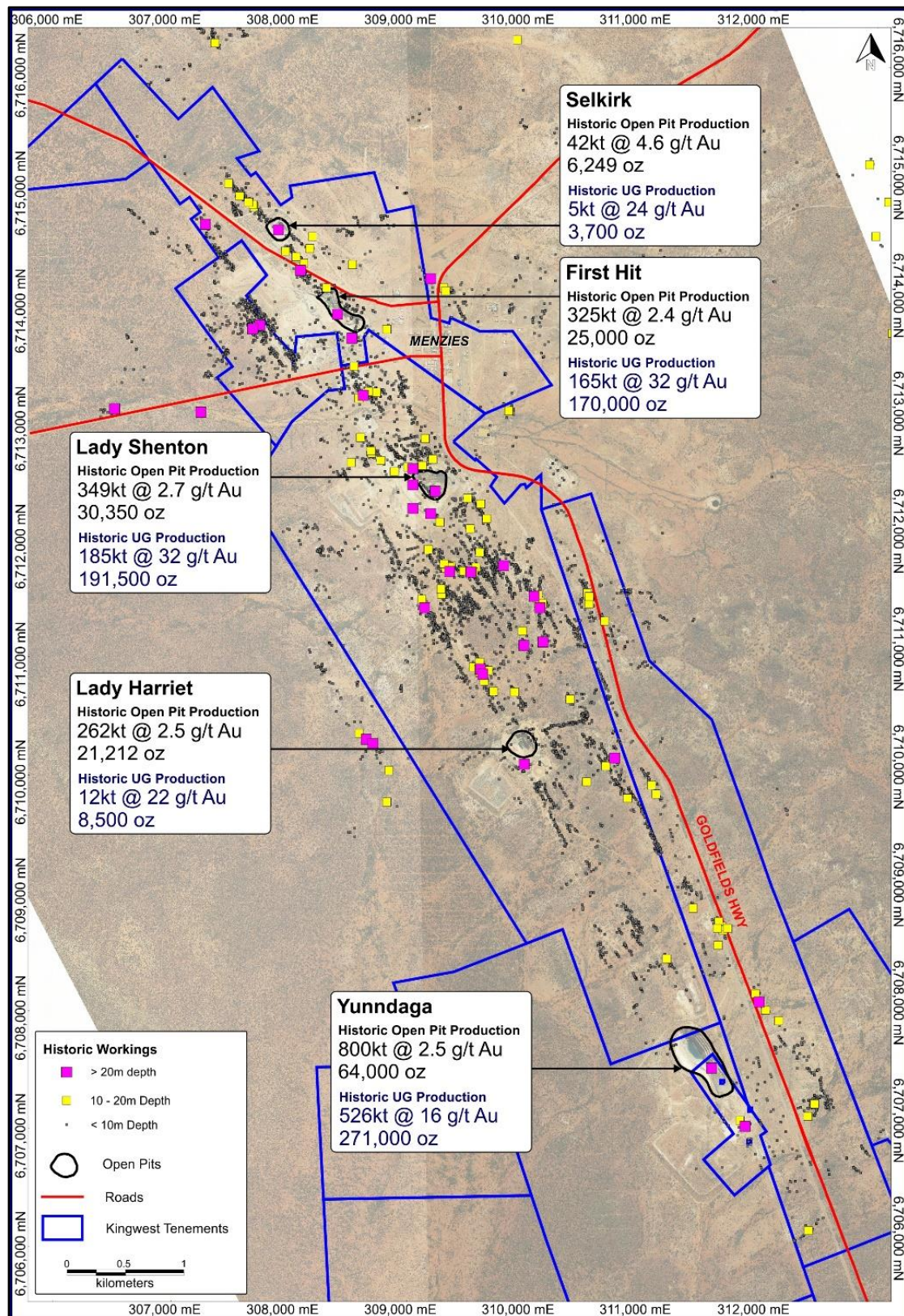


Figure 8: Historic workings and major producing mines in MGP

AEROMAGNETIC SURVEY

A very detailed aeromagnetic survey over the MGP has been 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 will be interpreted in December and integrated with updated 3D geological models that are in the process of being compiled which in turn are including detailed geological information being collected in the current diamond drilling program. The objective of the survey is 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 9 below.

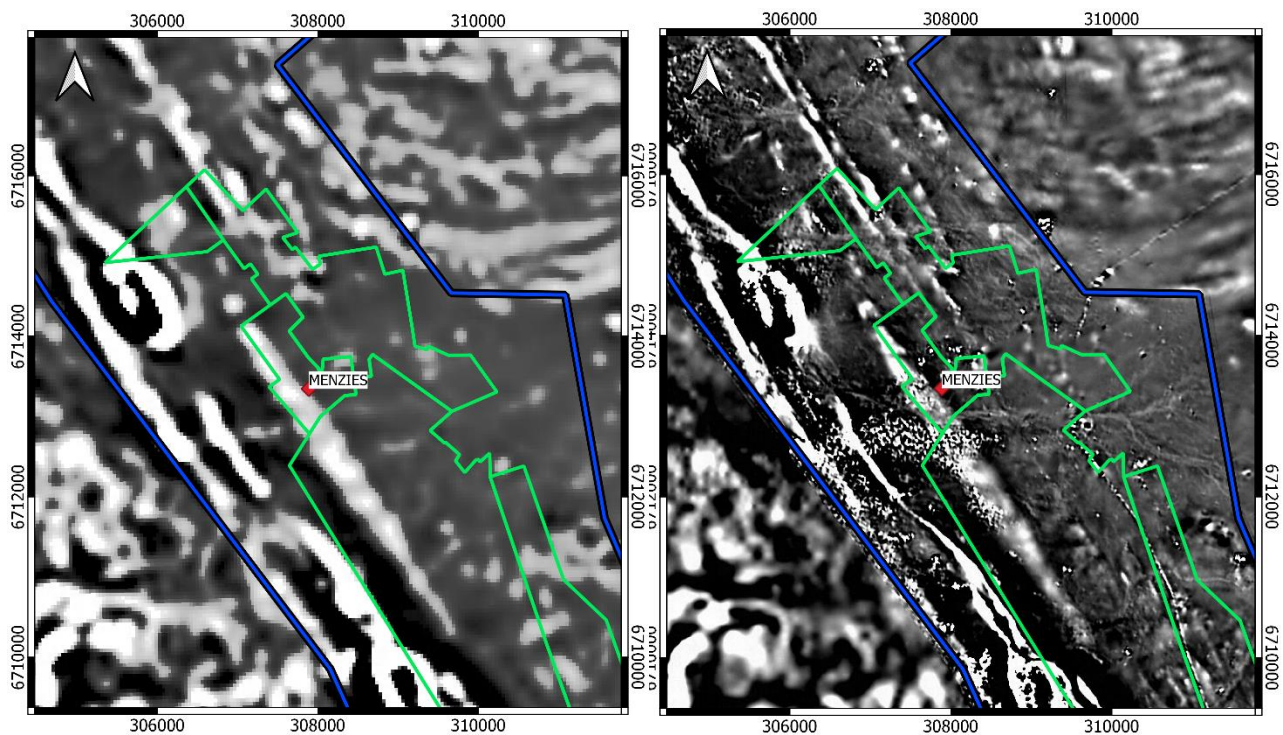


Figure 9: 100 metre line spaced Government aeromagnetic survey on left and new 25 metre line spaced aeromagnetic survey on right (part of survey area only)

Table 1: Significant drill intersections

Hole ID	From	To	Interval	Au g/t
KWD001	89.00	92.00	3.00	4.54
Inc.	90.29	91.43	1.14	12.54
KWD002	68.64	69.87	1.23	13.60
Inc.	69.37	70.27	0.50	32.20
KWD003	105.70	108.00	2.30	8.36
Inc.	106.22	107.00	0.78	21.60
KWD004	90.17	92.16	1.99	3.18

Hole ID	From	To	Interval	Au g/t
KWD004	97.00	98.00	1.00	1.44
KWD004	107.00	108.00	1.00	1.51
KWD005	82.77	84.50	1.73	2.15
KWD005	152.00	153.00	1.00	1.56
KWD005	154.00	155.00	1.00	1.06
KWD005	156.00	159.00	3.00	1.39
KWD006	113.86	115.59	1.73	4.93
KWD006	117.70	118.55	0.85	2.59
KWD006	197.80	198.65	0.85	12.60
KWD007	19.00	25.00	6.00	1.05
KWD007	75.91	78.10	2.19	1.38
KWD007	87.10	87.60	0.50	7.78
KWD007	223.20	223.70	0.50	5.10
KWD008	78.00	80.40	2.40	5.45
Inc.	79.00	80.00	1.00	8.08
KWD008	125.27	130.19	4.92	8.44
Inc.	126.27	127.20	0.93	36.20
KWD008	150.00	153.20	3.20	1.78
KWD009	11.00	12.00	1.00	2.49
KWD009	57.00	60.00	3.00	1.05
KWD010	35.00	36.00	1.00	2.28
KWD010	147.70	148.70	1.00	6.52
KWD011	216.30	221.57	5.27	2.20
Inc.	218.50	219.00	0.50	7.18
KWD012	165.00	167.00	2.00	6.44
Inc.	165.70	166.34	0.64	15.40
KWD013	155.79	157.00	1.21	1.15
KWD014	131.00	131.84	0.84	2.64
KWD014	399.50	400.52	1.02	1.45
KWD015	140.20	141.20	1.0	1.12
KWD015	142.09	142.96	0.87	1.38
KWD025	28.00	29.00	1.00	1.33
KWD025	39.00	40.00	1.00	1.95
KWD025	45.00	46.00	1.00	1.06
KWD026	236.00	237.55	1.55	1.56
KWD026	243.40	243.90	0.50	2.32
KWD026	253.57	256.97	3.40	2.12
KWD026	258.50	259.50	1.00	1.22
KWD026	260.10	261.10	1.00	1.44
KWD027	52.10	55.00	2.90	5.84
Inc.	52.10	52.40	0.30	45.80
KWD027	291.50	293.00	1.50	14.33
Inc.	292.10	292.40	0.30	71.3
KWD029	136.00	136.20	0.20	25.00

Hole ID	From	To	Interval	Au g/t
KWD029	214.50	215.05	0.55	4.30
KWD029	281.27	282.17	0.90	1.32
KWD030	65.80	67.00	1.20	1.75
KWD030	121.52	124.00	2.48	23.24
Inc.	121.52	122.60	1.08	52.78
KWD030	142.00	143.50	1.50	1.85
KWD031	33.00	34.00	1.00	1.12
KWD031	35.00	37.00	2.00	3.07
KWD032	92.00	93.30	1.30	19.82
Inc.	92.30	92.60	0.30	64.40
KWD032	93.30	95.20	1.90	STOPE
KWD032	95.20	96.80	1.60	1.32
KWD032	99.65	101.93	2.28	17.87
Inc.	99.65	100.85	1.20	33.80
KWD033	73.84	74.81	0.97	4.01
KWD033	93.80	95.33	1.53	1.09
KWD033	109.00	110.87	1.87	2.34
KWD034	149.70	152.2	2.50	2.14
Inc.	151.57	152.20	0.63	5.03
KWD034	152.20	155.77	3.57	STOPE
KWD035	75.73	77.21	1.48	1.60
KWD036	81.65	85.00	3.35	1.33

N.B. Minimum intersection of 1.0 gm (ie. >1.0m @ 1.0g/t Au or 0.5m @ 2.0g/t Au). Maximum internal dilution of 2.0m < 1.0g/t Au

Table 2: Menzies 2019 drill hole details

Prospect	Drillhole ID	Easting	Northing	Elevation	Dip	Azimuth	RC Pre Collar (m)	DD core (m)	Total (m)
Selkirk	KWD001	307819	6714613	419	-60	60	0	120.8	120.8
Selkirk	KWD002	307824	6714587	419	-50	60	0	160.1	160.1
Selkirk	KWD003	307849	6714563	419	-50	70	0	162.7	162.7
Pericles	KWD004	308830	6712625	422	-60	60	54	148.1	202.1
Pericles	KWD005	308758	6712585	422	-60	60	52	182.9	234.9
Pericles	KWD006	308700	6712550	422	-60	60	80	170.2	250.2
Pericles	KWD007	308875	6712610	422	-60	60	60	180.9	240.9
Pericles	KWD008	308815	6712555	422	-60	60	80	167.0	247.0
Pericles	KWD009	308901	6712562	425	-60	60	60	141.8	201.8
Pericles	KWD010	308993	6712574	425	-60	60	50	106.0	156.0
Yunndaga	KWD011	311450	6707410	418	-60	50	90	385.3	475.3
Yunndaga	KWD012	311539	6707375	418	-60	50	90	391.4	481.4
Yunndaga	KWD013	311601	6707320	418	-65	50	90	364.3	454.3

Prospect	Drillhole ID	Easting	Northing	Elevation	Dip	Azimuth	RC Pre Collar (m)	DD core (m)	Total (m)
Yunndaga	KWD014	311634	6707248	418	-60	50	45	388.3	433.3
Yunndaga	KWD015	311689	6707176	418	-60	50	48	328.2	376.2
Yunndaga	KWD016	311759	6707112	418	-60	50	48	337.3	385.3
Lady Irene	KWD017	302736	6719902	392	-60	50	70	0	70
Lady Irene	KWD018	302825	6719733	392	-60	50	70	0	70
Lady Irene	KWD019	302861	6719684	392	-60	50	70	0	70
Lady Shenton	KWD020	309355	6712347	429	-60	55	60	0	60
Lady Shenton	KWD021	309442	6712330	429	-60	55	60	0	60
Lady Shenton	KWD022	309323	6712245	429	-60	55	60	0	60
Lady Shenton	KWD023	309203	6712152	429	-60	55	48	0	48
Lady Shenton	KWD024	309473	6712312	429	-60	55	60	0	60
Lady Shenton	KWD025	309355	6712195	429	-60	55	60	0	60
Lady Shenton	KWD026	309235	6712100	429	-60	55	30	344.4	374.4
Lady Shenton	KWD027	309121	6711915	429	-60	55	41.6	410.2	451.8
Lady Shenton	KWD028	309068	6712211	429	-60	55	0	300.6	300.6
Lady Shenton	KWD029	309033	6712312	429	-60	55	0	301.2	301.2
First Hit	KWD030	308273	6713945	425	-50	40	0	168.8	168.8
Yunndaga	KWD031	311945	6707067	413	-60	55	0	60.1	60.1
Yunndaga	KWD032	311862	6707094	414	-50	50	0	126.0	126.0
Yunndaga	KWD033	311794	6707144	414	-50	55	0	183.0	183.0
Yunndaga	KWD034	311809	6707059	411	-60	55	0	169	169
First Hit	KWD035	308212	6714095	421	-60	90	0	93.7	93.7
First Hit	KWD036	308188	6714095	421	-60	90	0	96.7	96.7

NEXT STEPS

Kingwest is carefully reviewing all drill results from 2019 and integrating the information gained with the recently flown detailed aeromagnetic survey, as well as historic drill results in order to plan the most cost effective follow up drilling in 2020. This planned drilling in the March and June quarters is being designed to continue increasing the extents of high-grade gold mineralisation such that resource definition drilling can follow.

Numerous targets in addition to those drilled in 2019 have yet to be effectively tested and therefore also need to be considered for drilling in 2020.

Concurrently the Company is seeking to divest the Leonora assets (with JORC resource of approximately 100,000 oz Au¹) and seek partner opportunities for mining of resources in and around the MGP.

-Ends-

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

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Forward-Looking Statements

This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning Kingwest Resources Limited's planned exploration program and other statements that are not historical facts. When used in this document, the words such as "could," "plan," "expect," "intend," "may", "potential," "should," and similar expressions are forward-looking statements. Although Kingwest believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that further exploration will result in the estimation of a Mineral Resource.

Competent Person Statement

The information in this report that relates to 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 or Ore Reserves 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 (now Horizon Minerals 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 they are 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.

1 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 titled 'Prospectus' released on August 22 2018 and, in the case of estimates of Mineral Resources or Ore Reserves that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

APPENDIX 1

Tenement information for the quarter ending 31 December 2019

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

	E37/1321	EXPLORATION	GRANTED	-	100%
	E37/1322	EXPLORATION	GRANTED	-	100%
ROMAN WELL (Western Australia)	E37/1252	EXPLORATION	GRANTED	-	100%
GREYMARE WELL (Western Australia)	E37/1284	EXPLORATION	GRANTED	-	100%
BIG WELL (Western Australia)	E37/1285	EXPLORATION	GRANTED	-	100%
	E37/1314	EXPLORATION	GRANTED	-	100%