



**ABN 58 624 972 185**

---

**Annual Report**

**For the year ended 30 June 2022**

---

**Kingwest Resources Limited**

**ABN 58 624 972 185**

**CONTENTS**

---

Corporate Directory	2
Directors' Report	3
Auditor's Independence Declaration	36
Consolidated statement of Profit or Loss and Other Comprehensive Income	37
Consolidated statement of Financial Position	38
Consolidated statement of Changes in Equity	39
Consolidated statement of Cash Flows	40
Notes to the Financial Statements	41
Directors' Declaration	67
Independent Auditor's Report	68
Schedule of Exploration Tenements	72
Shareholder Information	73

# Kingwest Resources Limited

ABN 58 624 972 185

## CORPORATE DIRECTORY

---

<b>Directors</b>	Mr Gregory Bittar Executive Chairman
	Mr Jonathan Downes Non-Executive Director
	Mr Ashok Parekh Non-Executive Director
<b>Company Secretary</b>	Mr Stephen Brockhurst
<b>Registered Office</b>	Level 8, 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 5, 191 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 2022

---

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 2022.

### Directors

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

Gregory Bittar	Executive Chairman (appointed 1 July 2021)
Jonathan Downes	Non-executive Director
Ashok Parekh	Non-executive Director (appointed 2 May 2022)
Adrian Byass	Non-executive Director (resigned 23 May 2022)
Jonathan Price	Non-executive Director (resigned 2 May 2022)
Stephen Brockhurst	Non-executive Director (resigned 1 July 2021)

### Chief Executive Officer

Edward Turner was appointed Chief Executive Officer on 18 September 2019 and resigned on 15 September 2022.

### Company Secretary

Stephen Brockhurst was appointed Company Secretary on 6 October 2020.

### 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 2022 amounted to \$1,776,392 (2021: loss \$1,928,173).

### Financial Position

As at 30 June 2022 the Group had a cash balance of \$1,797,157 (2021: \$3,012,020) and a net asset position of \$23,204,328 (2021: \$19,833,113).

### 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 2022.

### 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 2022

---

### Corporate

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

<b>ORDINARY SHARES</b>	<b>2022</b>
	<b>No.</b>
Fully Paid Ordinary Shares	281,726,818

### OPTIONS

21.5 cents expiring on 22 September 2022	400,000
28.5 cents expiring 15 February 2025	1,700,000
15 cents expiring on 30 December 2023	22,512,500
17 cents expiring 15 September 2024	6,250,000
20 cents expiring 21 October 2024	8,000,000
25 cents expiring 28 April 2025	1,250,000
10 cents expiring 29 February 2024	19,069,142

### PERFORMANCE RIGHTS

Share Appreciation Rights at a strike price of \$0.28 expiring 7 October 2024	2,970,000
Share Appreciation Rights at a strike price of \$0.18 expiring 15 September 2023	1,125,000

### Review of Operations

#### Activities during the year included:

- Extensive aircore drilling at Lake Goongarrie focussed on both gold and Highway Ultramafic nickel sulphide targets.
- Diamond core drilling at Lake Goongarrie's Sir Laurence Discovery.
- Updated Menzies near surface MRE's.
- Yunndaga underground MRE at Menzies.

#### Lake Goongarrie Aircore drilling

Significant gold mineralisation was intersected under Lake Goongarrie (the Sir Laurence Discovery). Other significant mineralisation was intersected on regional lines within the Lake Goongarrie Project.

434 holes for 18,884m was completed at Sir Laurence and regional targets. Significant bedrock mineralisation was intersected in three different host rocks over + 2km strike length and +1km laterally at the Sir Laurence Discovery. Mineralisation remains open in all directions<sup>1</sup>. The mineralisation is within transported (paleochannel) sands and gravels as well as within the underlying bedrock (Figure 1). N.B. The oval shape labelled "Sir Laurence Gold Discovery" in Figure 1 outlines the approximate limits of significant gold mineralisation defined by the 2021 drilling. The 2022 programme comprised extensional (step out) drilling of the Sir Laurence Prospect and therefore many of these new results are outside of this shape.

The aircore drilling is not designed to penetrate hard bedrock and therefore deeper diamond core drilling is now underway to better test the primary mineralisation. Outside of Sir Laurence drillholes on regional lines returned numerous significant intersections from multiple drill traverses.

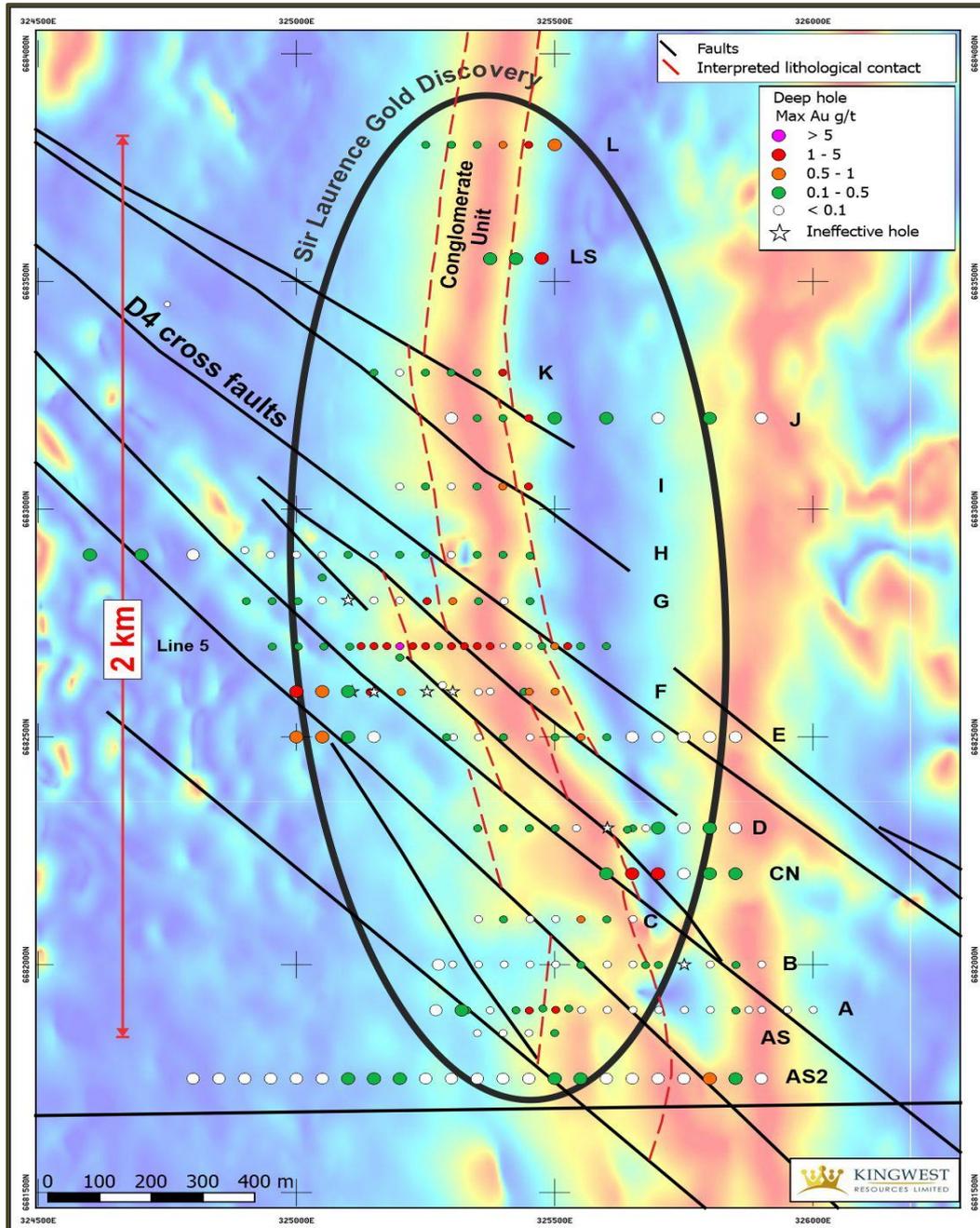


Figure 1: Significant Sir Laurence aircore drill results (maximum Au values) on magnetics background.

# Kingwest Resources Limited

ABN 58 624 972 185

## DIRECTOR'S REPORT

For the year ended 30 June 2022

---

### Sir Laurence Diamond Core Drilling:

Four holes (KGD001, 002A, 003A and 004) have been completed for a total of 1783.68m<sup>2</sup> (Figure 2). This total included 511.9m of rotary mud drilling through the lake sediments and 1271.78m of NQ diamond core. Two holes (KGD002, 003) were abandoned before core drilling could be completed.

Kingwest's first significant diamond drill core gold intersection at Sir Laurence confirms the geological model and the size and gold grade potential. This was 5.0m @ 4.8 g/t from 113.3m in KGD004 included 2.3m @ 9.4 g/t Au<sup>2</sup>. Other mineralised intersections in KGD004 demonstrate the potential for multiple lodes within the Sir Laurence mineralised system. The remaining drilling will test several other targets at Sir Laurence where bedrock gold mineralisation has been previously intersected in Kingwest's aircore drilling.

Significant intersections are included in Table 1 and drill hole details are included in Table 2.

Exploration targeting will continue to be reviewed as new results come in. This will focus drilling on the most prospective sections of the mineralised area, which extends for over 2km of strike in the N-S direction and over 1km across strike in the E-W direction.

The highest-grade zone of this gold intersection (**13.87 g/t Au**) occurs as a 1.2m thick quartz vein with minor chlorite, pyrite and arsenopyrite, which lies within a broader zone of finely disseminated pyrite and arsenopyrite and lesser quartz veinlets (Figures 3 and 4). The orientation of the major vein is northeast-southwest.

The KGD004 high-grade gold intersection is open to the west, where there is no bedrock drilling, along strike to the southwest, where there is just one additional line of aircore drilling, which also intersected bedrock gold mineralisation, and along strike to the northeast, where diamond drillhole KGD001 on Line 5 only reached the bedrock interface to the east of the intersection's projected NE continuation (Figure 2). It is also possible that the two aircore bedrock gold intersections on Line G, 150m to the NE of KGD001, represent a further NE continuation of the same zone of bedrock gold mineralisation, offset to the SE of its projected position by D4 cross-faulting. The KGD001 core is now interpreted as having been drilled just to the east of the mineralised lode as it strikes northeast across Line 5.

This KGD004 bedrock gold intersection provides conclusive proof that there is high-grade reef-style bedrock gold mineralisation within the Sir Laurence prospect area.

Sir Laurence is therefore a new bedrock gold discovery, located under extensive cover 8km to the northeast of the historic Goongarrie gold mining centre, which is the nearest area of historic gold production.

The company believes that this high-grade reef style gold intersection is one of a number of potential bedrock-gold sources that have supplied gold to the widespread alluvial, interface and bedrock gold mineralisation that was discovered by Kingwest in aircore drilling at Sir Laurence.

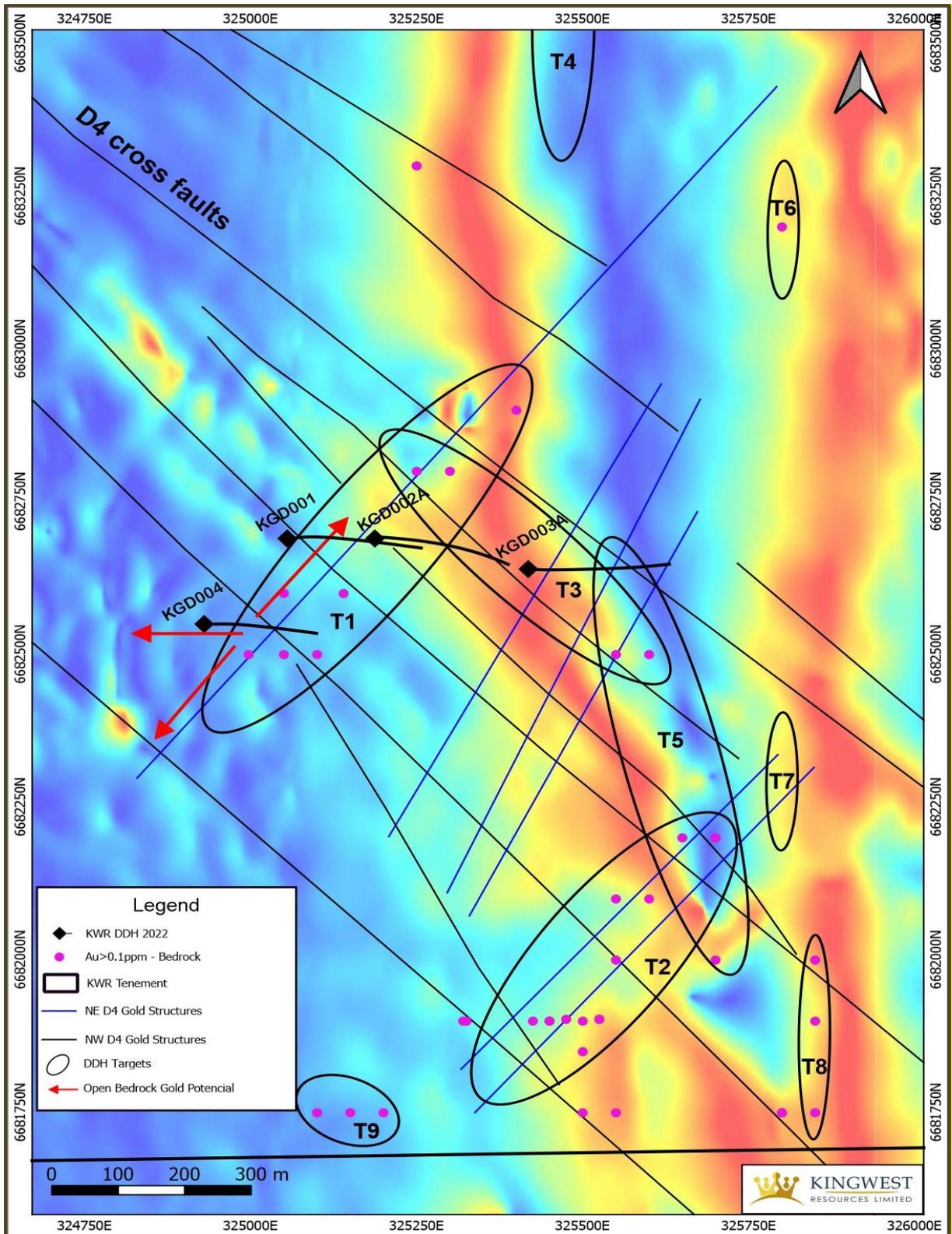
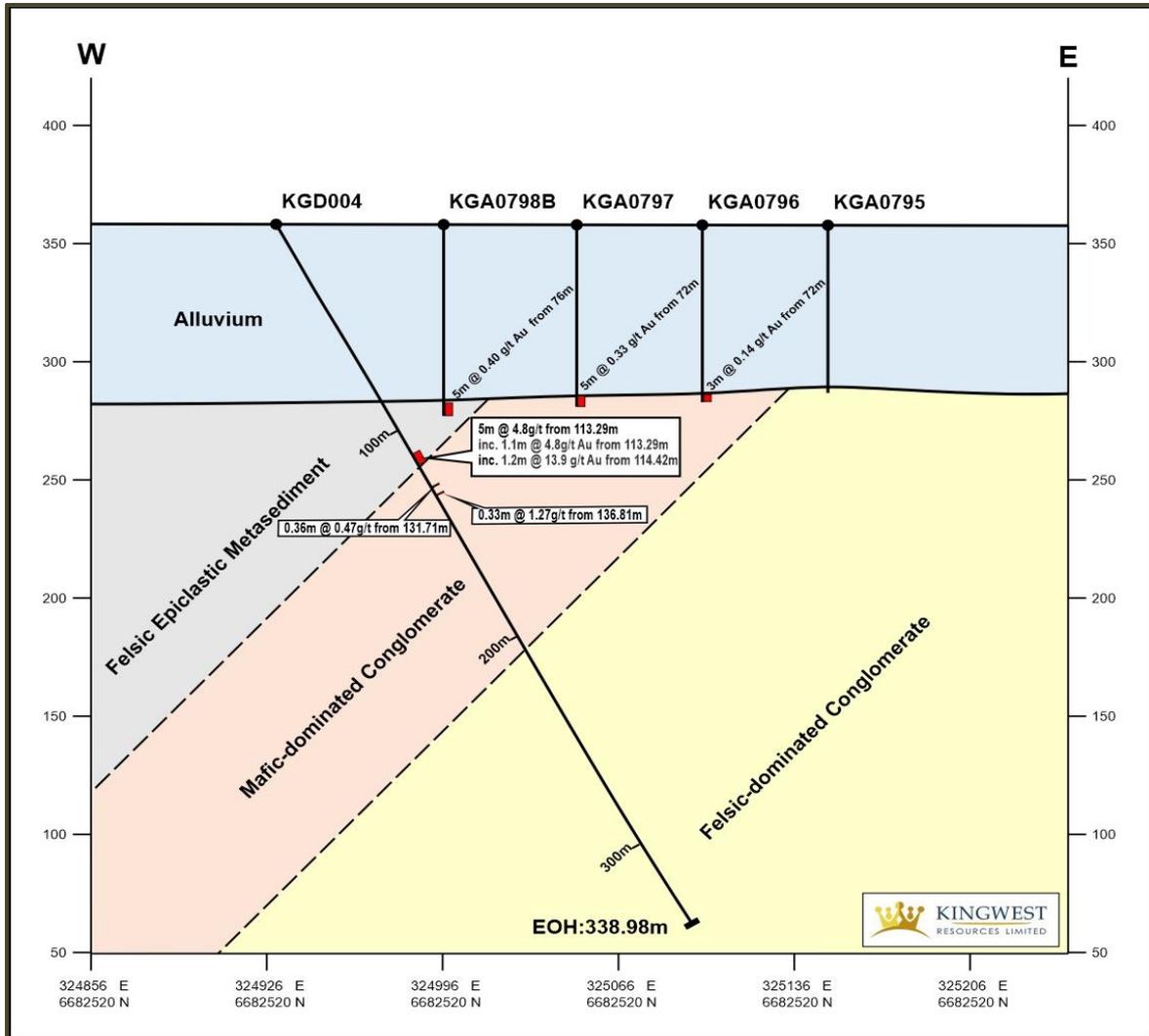


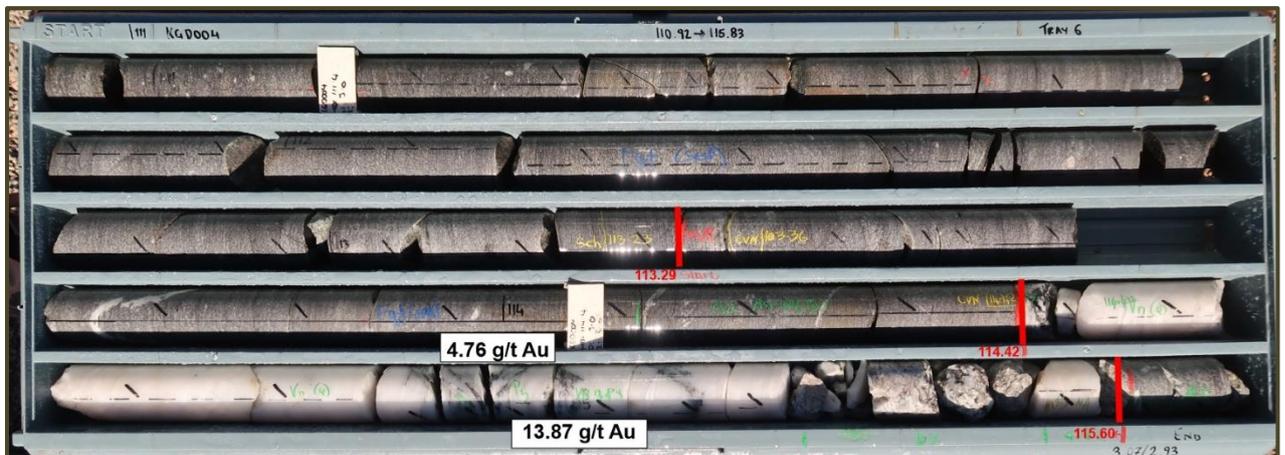
Figure 2: Sir Laurence diamond core drill hole traces, drill targets and location of bedrock Au intersected in aircore holes

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

**DIRECTOR'S REPORT**  
**For the year ended 30 June 2022**



**Figure 3: KGD004 and aircore drill holes on cross section**



**Figure 4: Photo of high-grade intersection in KGD004**

**Kingwest Resources Limited**

**ABN 58 624 972 185**

**DIRECTOR'S REPORT**

**For the year ended 30 June 2022**

**Table 1: Sir Laurence diamond core significant intersections (> 0.4 gramme metres Au)**

Hole_ID	From (m)	To (m)	Interval (m)	Au (g/t)	Mineralisation style	Host Rock
KGD004	113.29	114.42	1.13	4.76	Pyrite Arsenopyrite	Felsic Metasediment
KGD004	114.42	115.60	1.18	13.87	Quartz Pyrite Arsenopyrite	Major Quartz Vein
KGD004	117.56	118.25	0.69	2.22	Pyrite Arsenopyrite	Felsic Metasediment
KGD004	136.81	137.14	0.33	1.27	Qtz Veinlets, minor Pyrite	Mafic Conglomerate
KGD003A	221.00	222.00	1.00	0.46	Pyrrhotite Pyrite Silica	Polymictic Conglomerate

**Table 2: Sir Laurence diamond core drill hole details**

Hole ID	Status	Easting	Northing	Azimuth	Dip	Depth (m)	Comments
KGD001	Completed	325055	6682690	90	60	432.4	Rotary Mud 0 - 87m. NQ Core from 87m
KGD002	Failed	325180	6682690	90	60	72.0	Rotary Mud only
KGD002A	Completed	325187	6682690	90	60	447.0	Rotary Mud 0 - 98.3m. NQ Core from 98.3m
KGD003	Failed	325368	6682690	90	60	75.0	Mud Rotary only
KGD003A	Completed	325418	6682640	90	60	418.3	Rotary Mud 0 - 93m. NQ Core from 94m
KGD004	Completed	324930	6682550	90	60	338.98	Rotary Mud 0 – 86.6m. NQ Core from 86.6m

**Lake Goongarrie Highway Ultramafic Nickel Sulphide targeted Aircore Drilling**

First pass aircore drilling targeting 11km of the nickel-fertile Highway Ultramafic unit comprising 223 holes (KGA0815 – KGA1033) for 7,788 metres was completed. Assays from this drilling, along with some historic drilling, have identified two strike extensive zones of highly nickel anomalous ultramafic. This section of the ultramafic is entirely covered by salt-lake sediments.

The Northern Nickel Zone is 2,600m long and 100m wide, with peak values of 8m @ 0.5% Ni from 4m in KGA0873; 8m @ 0.5% Ni from 12m in KGA0906; and 8m @ 0.5% Ni from 12m in KGA0920<sup>3</sup>.

The Southern Nickel Zone is 1,700m long and 100m wide, with peak values of 4m @ 0.4% Ni from 20m in 06BGSA0005 and 10m @ 0.4% Ni from 12m in 06BGSA0007<sup>3</sup>.

Figure 5 shows all drill hole locations with maximum nickel intersections in each hole. Significant nickel intersections are included in Table 3.

The Highway Ultramafic location and significant nickel intersections are shown in more detail in Figures 6, 7 and 8.

Kingwest's Highway ultramafic package was confirmed to be continuous over its entire 11km strike length. It was found to have an average width of about 500m, which was almost twice the width originally interpreted from a highly magnetic, eastern serpentinised komatiite unit. The additional width on the western side is a sequence of coarser

# Kingwest Resources Limited

ABN 58 624 972 185

## DIRECTOR'S REPORT

For the year ended 30 June 2022

grained dunite-peridotite and pyroxenitic ultramafics, which are far less serpentinised and therefore far less magnetic.

The Nickel fertility of Kingwest's 11km strike of the Highway Ultramafic has been clearly demonstrated by analytical results of numerous 4m composite intersections with +0.4% Ni accompanied by Ni/Cr ratios of greater than 1.

These intersections are all from within semi fresh to fresh rock and not Nickel laterite mineralisation.

The hanging wall, footwall and internal contact lithologies were identified as: graphitic, quartzitic and felsic metasediments; high grade metamorphic gneiss; amphibolised metabasalts and dolerite. The footwall and intercalated metasediments within the ultramafic sequence are important, as they are required to provide a source of sulphur, from which to generate massive sulphide nickel deposits.

The potential for nickel mineralisation at depth is clearly demonstrated by the many intersections of +0.4% nickel, with Ni/Cr ratios of +1, in moderately weathered to fresh ultramafic. **A maximum value of 4m @ 0.64% Ni from 8-12m with a Ni/Cr ratio of 2.34 was intersected in KGA00873<sup>3</sup>.** The Northern Nickel Target is particularly encouraging, as it corresponds to a clearly defined magnetic feature, and returned broad intersections of +0.4% Ni on three successive reconnaissance aircore lines (N1S, N2 and N3S) over an average width of 100m and a strike length of 2,600m.

The nickel sulphide potential of both the Northern Nickel Target area and the Southern Nickel Target area is sufficiently high that Kingwest will consider next steps which may likely include a Moving Loop Electromagnetic (MLEM) Survey over these areas.

There remains a further 2.5km strike of largely untested Highway Ultramafic within the southern half of E29/966. Many holes there on Lines 7 and 8 failed to reach bedrock due to a deep alluvial channel. However, the ultramafic that was intersected also returned elevated nickel values, so this segment of the Highway Ultramafic also requires further investigation.

**Table 3: Significant Aircore composite nickel intersections (minimum 4m @ 0.20 % Ni)**

Line	Hole ID	Depth From (m)	Depth To (m)	Interval (m)	Ni (%)	Description
N3 South	<b>KGA0873</b>	<b>4</b>	<b>20</b>	<b>16</b>	<b>0.43</b>	<b>16m @ 0.43 % Ni from 4m</b>
N3 South	<b>Inc</b>	<b>4</b>	<b>12</b>	<b>8</b>	<b>0.52</b>	<b>8m @ 0.52 % Ni from 4m</b>
N3 South	KGA0874	8	34	26	0.34	26m @ 0.34 % Ni from 8m
N3 South	<b>Inc</b>	<b>16</b>	<b>20</b>	<b>4</b>	<b>0.48</b>	<b>4m @ 0.48 % Ni from 16m</b>
N3 South	<b>Inc</b>	<b>24</b>	<b>32</b>	<b>8</b>	<b>0.42</b>	<b>8m @ 0.42 % Ni from 24m</b>
N3 South	KGA0875	8	12	4	0.22	4m @ 0.22 % Ni from 8m
N3 South	KGA0875	28	32	4	0.24	4m @ 0.24 % Ni from 28m
N2	KGA0900	4	13	9	0.22	9m @ 0.22 % Ni from 4m
N2	KGA0901	20	28	8	0.28	8m @ 0.28 % Ni from 20m
N2	KGA0902	4	24	20	0.25	20m @ 0.25 % Ni from 4m
N2	KGA0902	32	36	4	0.23	4m @ 0.23 % Ni from 32m
N2	KGA0903	4	15	11	0.33	11m @ 0.33 % Ni from 4m
N2	KGA0904	8	24	16	0.20	16m @ 0.20 % Ni from 8m
N2	KGA0904	32	36	4	0.23	4m @ 0.23 % Ni from 32m

**Kingwest Resources Limited**

**ABN 58 624 972 185**

**DIRECTOR'S REPORT**

**For the year ended 30 June 2022**

N2	KGA0905	4	9	5	0.33	5m @ 0.33 % Ni from 4m
N2	KGA0906	0	24	24	0.29	24m @ 0.29 % Ni from 0m
N2	<b>Inc</b>	<b>12</b>	<b>20</b>	<b>8</b>	<b>0.49</b>	<b>8m @ 0.49 % Ni from 12m</b>
N1S	KGA0916	4	16	12	0.24	12m @ 0.24 % Ni from 4m
N1S	KGA0917	4	20	16	0.31	16m @ 0.31 % Ni from 4m
N1S	<b>Inc</b>	<b>4</b>	<b>12</b>	<b>8</b>	<b>0.40</b>	<b>8m @ 0.40 % Ni from 4m</b>
N1S	KGA0918	4	29	25	0.28	25m @ 0.28 % Ni from 4m
N1S	KGA0919	16	36	20	0.30	20m @ 0.30 % Ni from 16m
N1S	KGA0920	4	24	20	0.36	20m @ 0.36 % Ni from 4m
N1S	<b>Inc</b>	<b>12</b>	<b>20</b>	<b>8</b>	<b>0.47</b>	<b>8m @ 0.47 % Ni from 12m</b>
N1S	KGA0921	0	32	32	0.39	32m @ 0.39 % Ni from 0m
N1S	<b>Inc</b>	<b>4</b>	<b>28</b>	<b>24</b>	<b>0.42</b>	<b>24m @ 0.42 % Ni from 4m</b>
N1	KGA0931	4	8	4	0.25	4m @ 0.25 % Ni from 4m
N8	KGA0975	60	64	4	0.29	4m @ 0.29 % Ni from 60m
N9	KGA0986	24	28	4	0.20	4m @ 0.20 % Ni from 24m

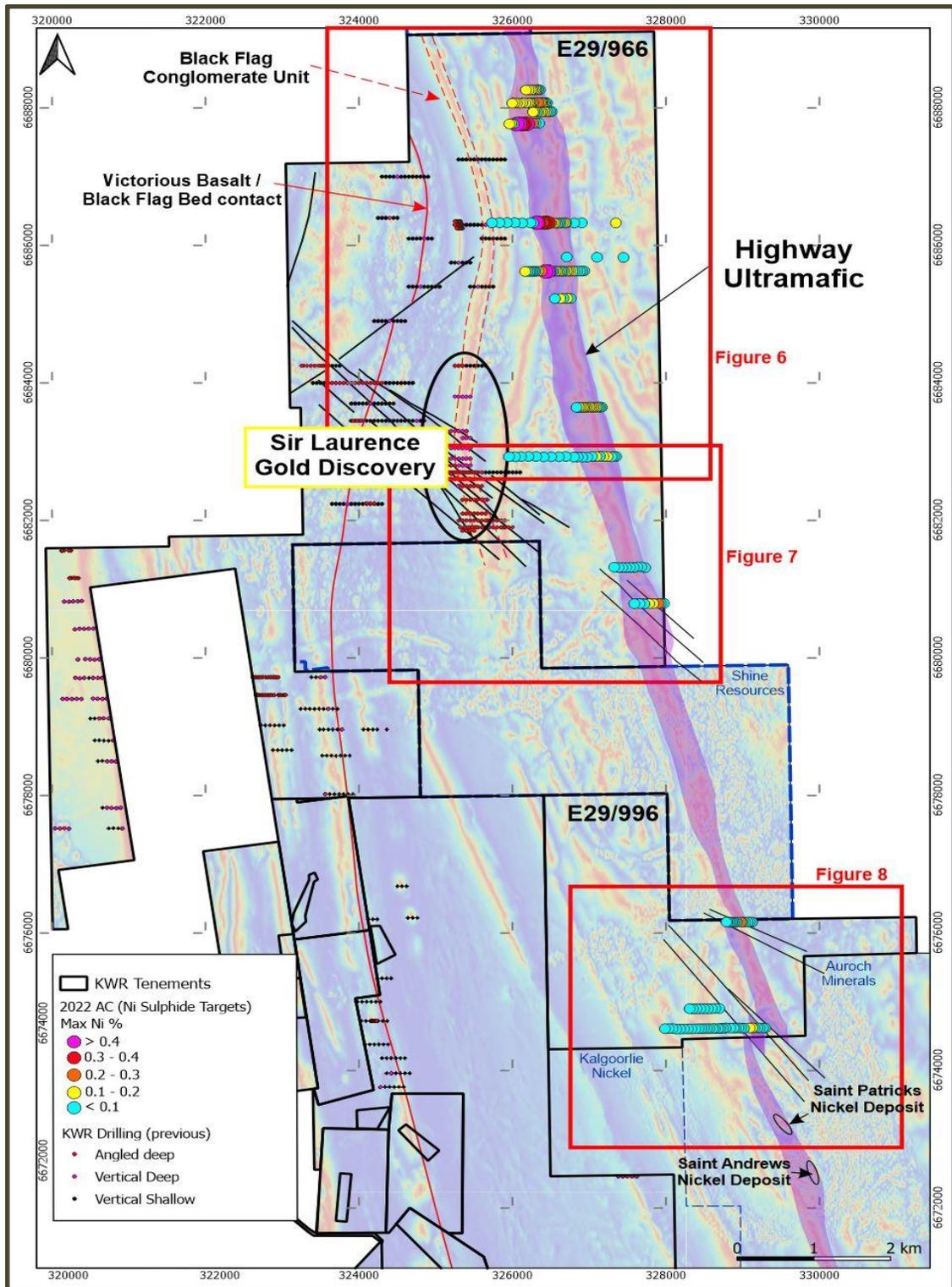


Figure 5: Lake Goongarrie Aircore hole locations with anomalous Ni within the Highway Ultramafic and on aeromagnetic background

DIRECTOR'S REPORT  
 For the year ended 30 June 2022

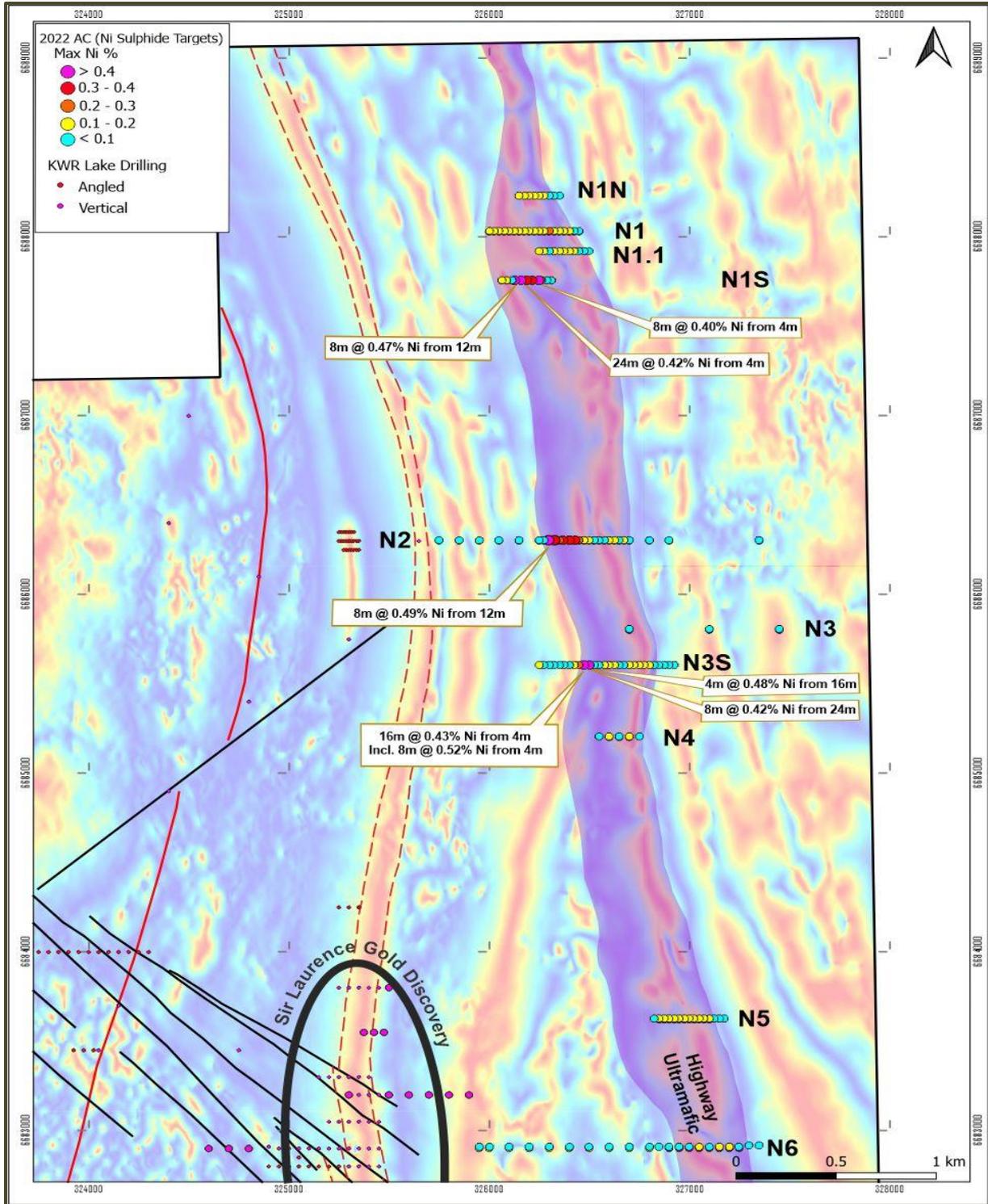


Figure 6: Northern area of Lake Goongarrie showing Aircore hole locations with anomalous Ni within the Highway Ultramafic on aeromagnetic image background

DIRECTOR'S REPORT  
 For the year ended 30 June 2022

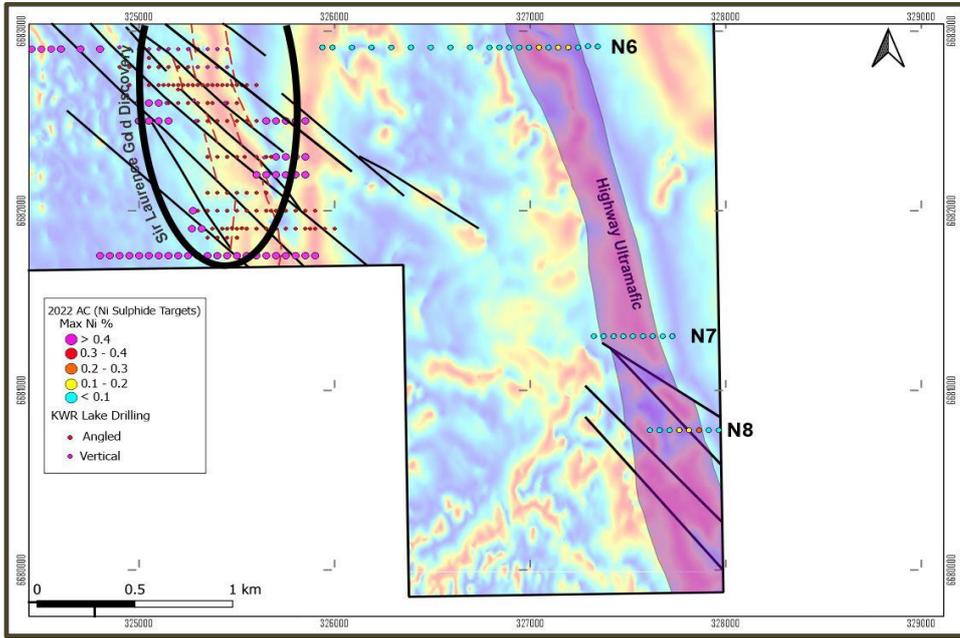


Figure 7: The Central area of Lake Goongarrie showing Aircore hole locations with anomalous Ni within the Highway Ultramafic on aeromagnetic image background

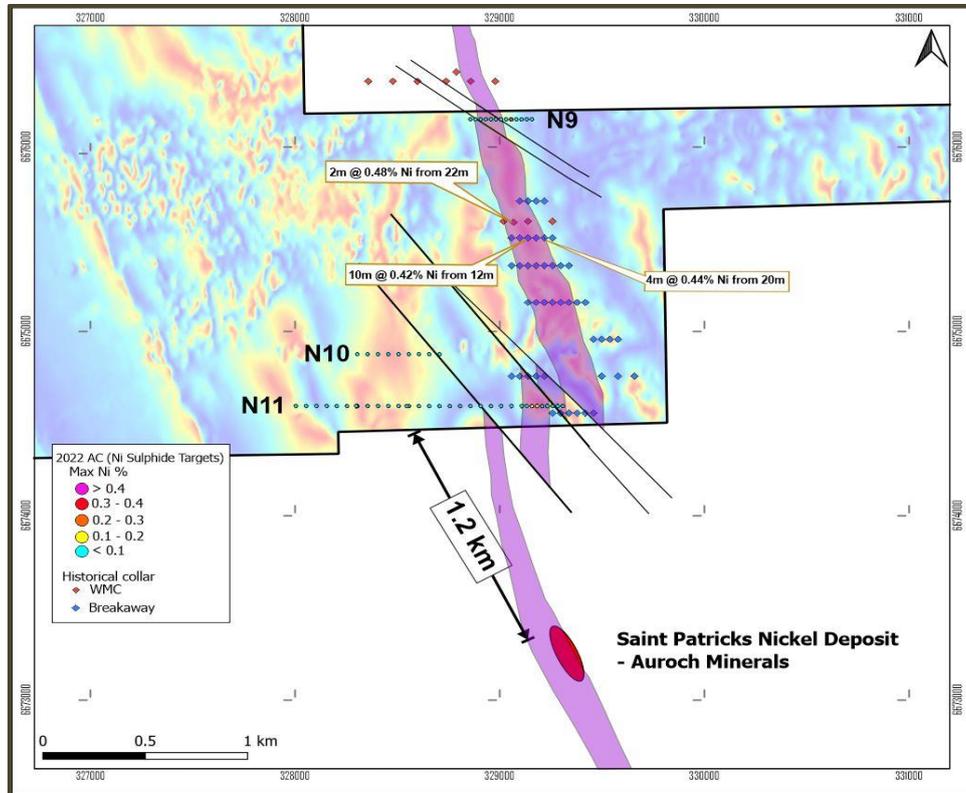


Figure 8: The Southern area of Lake Goongarrie showing Aircore hole locations with anomalous Ni within the Highway Ultramafic on aeromagnetic image background

# Kingwest Resources Limited

ABN 58 624 972 185

## DIRECTOR'S REPORT

For the year ended 30 June 2022

### **Lake Goongarrie Highway Ultramafic gold targeted Aircore Drilling**

This drilling also delivered significant Au assays. Best results included 4m @ 1.3 g/t Au from 44m in KGA0887 (in bedrock), 4m @ 1.2 g/t Au from 20m in KGA0894 (in bedrock) and 4m @ 1.0 g/t Au from 8m in KGA0887<sup>4</sup>. The location of all drillholes are shown in Figure 9 and significant results are shown in more detail in Figures 10, 11 and 12.

This drilling was planned as a first-pass reconnaissance of the nickel potential of the Highway Ultramafic where it passes beneath the Tertiary alluvial cover of Lake Goongarrie, but the drill traverses were also chosen, and in places extended, to test several of the many gold prospective structures interpreted from Kingwest's recent high resolution magnetic survey. Significant gold assay results are included in Table 4.

These results demonstrate that the alluvium-covered, Boorara Domain, greenschist facies to amphibolite facies greenstones beneath the east side of Lake Goongarrie are as widely gold-mineralised as the Ora Banda Domain greenstones on the west side of the lake. This is not surprising, as the same Boorara Domain greenstones are host to extensive outcropping gold mineralisation at the Menzies gold mining centre, 40km along strike to the north.

What is more surprising from the above results is that, in addition to the Boorara Domain greenstones being gold mineralised, the adjacent and underlying, higher-grade paragneiss rocks that form the basement to the east of the Highway Ultramafic are also gold mineralised (eg. 4m @ 0.74 g/t Au in KGA0981)<sup>4</sup>. These are coarse-grained, quartz-feldspar-biotite gneisses, which exhibit a closely spaced, tightly folded magnetic stratigraphy, which includes amphibolitised basaltic metavolcanics and ultramafic rocks. They appear to be a higher metamorphic grade equivalent to the overlying Boorara Domain greenstones, and to have been previously overlooked as a potential host to gold mineralisation at Goongarrie.

The results summarised in Table 4 show that gold mineralisation is present in a wide variety of structures and a wide range of lithologies east of the Sir Laurence discovery. Mineralised structures include NW-trending D4 faults, NE-trending faults and quartz-veined sheared lithological contacts. Mineralised lithologies include ultramafics, amphibolitised metabasalts, quartzo-feldspathic felsic schists and paragneiss.

Tertiary alluvial gold is also present in the basal channel lag gravels of the Sir Laurence paleochannel where it crosses nickel aircore drilling Line N7. This downstream section of the channel appears to be several metres deeper than it is 2km to the northwest at Sir Laurence. The basal gravels here include large, well-rounded vein quartz cobbles, suggesting a higher energy paleo-alluvial environment, where coarser gold may have been more effectively concentrated. These large quartz cobbles stopped the aircore bit short of bedrock in four of the nine holes on Line N7 (KGA0966, 967, 968 and 969), but two of the holes (KGA0968 and 969) nonetheless assayed gold in the overlying channel lag gravels. A fifth hole (KGA0970) then successfully intersected serpentinised komatiite ultramafic just to the west.

This demonstrated gold potential in the eastern Boorara Domain greenstone sequence and in the adjacent paragneiss basement will be followed up with further exploration by Kingwest Resources.

**Table 4: Significant aircore Au intersections**

Line	Hole ID	Depth From (m)	Depth To (m)	Interval (m)	Au (g/t)	Comment	Description
LINE N6	KGA0818	64	68	4	0.34	Bedrock	4m @ 0.34 g/t Au from 64m
LINE N6	KGA0828	20	24	4	0.21	Bedrock	4m @ 0.21 g/t Au from 20m
LINE N3 S	KGA0866	40	46	6	0.14	Bedrock/1190ppm As	6m @ 0.14 g/t Au from 40m
LINE N3 S	KGA0872	8	12	4	0.16	Bedrock	4m @ 0.16 g/t Au from 8m
LINE N2	KGA0887	8	12	4	0.95	Alluvial	4m @ 0.95 g/t Au from 8m
LINE N2	KGA0887	32	48	16	0.73	Bedrock	16m @ 0.73 g/t Au from 32m
LINE N2	Inc	44	48	4	1.31	Bedrock	4m @ 1.31 g/t Au from 44m

**Kingwest Resources Limited****ABN 58 624 972 185****DIRECTOR'S REPORT****For the year ended 30 June 2022**

---

LINE N2	KGA0887	68	72	4	0.12	Bedrock	4m @ 0.12 g/t Au from 68m
LINE N2	KGA0894	20	24	4	1.21	Bedrock	4m @ 1.21 g/t Au from 20m
LINE N2	KGA0901	20	24	4	0.20	Bedrock	4m @ 0.20 g/t Au from 20m
LINE N2	KGA0902	44	48	4	0.14	Bedrock	4m @ 0.14 g/t Au from 44m
LINE N2	KGA0903	12	15	3	0.21	Bedrock	3m @ 0.21 g/t Au from 12m
LINE N2	KGA0904	8	12	4	0.10	Bedrock	4m @ 0.10 g/t Au from 8m
LINE N2	KGA0905	0	4	4	0.14	Alluvial/Bedrock	4m @ 0.14 g/t Au from 0m
LINE N2	KGA0906	0	4	4	0.35	Alluvial	4m @ 0.35 g/t Au from 0m
LINE N1	KGA0931	8	16	8	0.28	Bedrock	8m @ 0.28 g/t Au from 8m
LINE N7	KGA0968	68	78	10	0.17	Alluvial	10m @ 0.17 g/t Au from 68m
LINE N7	KGA0969	76	78	2	0.25	Alluvial	2m @ 0.25 g/t Au from 76m
LINE N9	KGA0981	20	24	4	0.74	Bedrock	4m @ 0.74 g/t Au from 20m

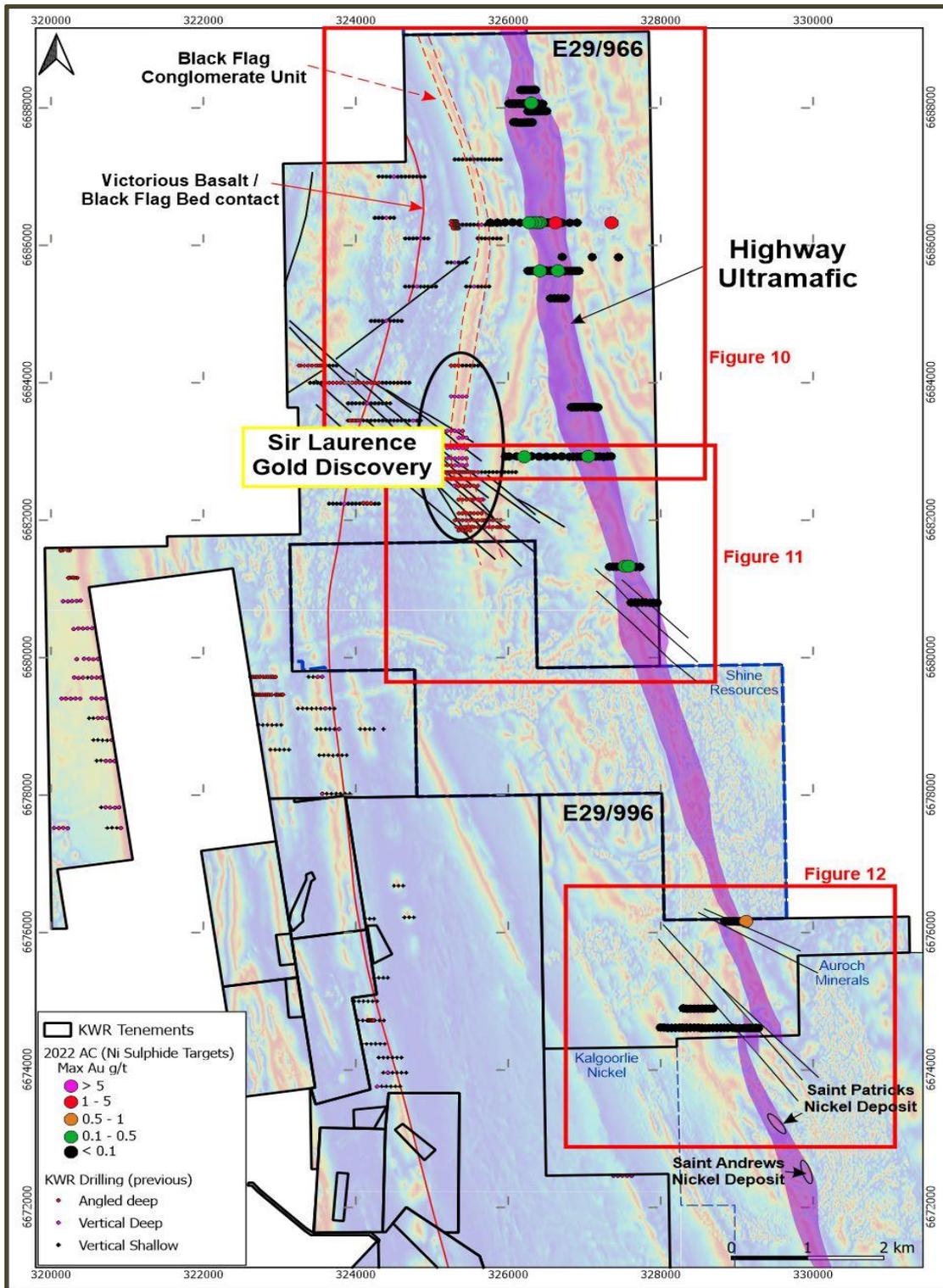


Figure 9: Maximum Au values in Highway Ultramafic aircore drill holes on aeromagnetic background

DIRECTOR'S REPORT  
 For the year ended 30 June 2022

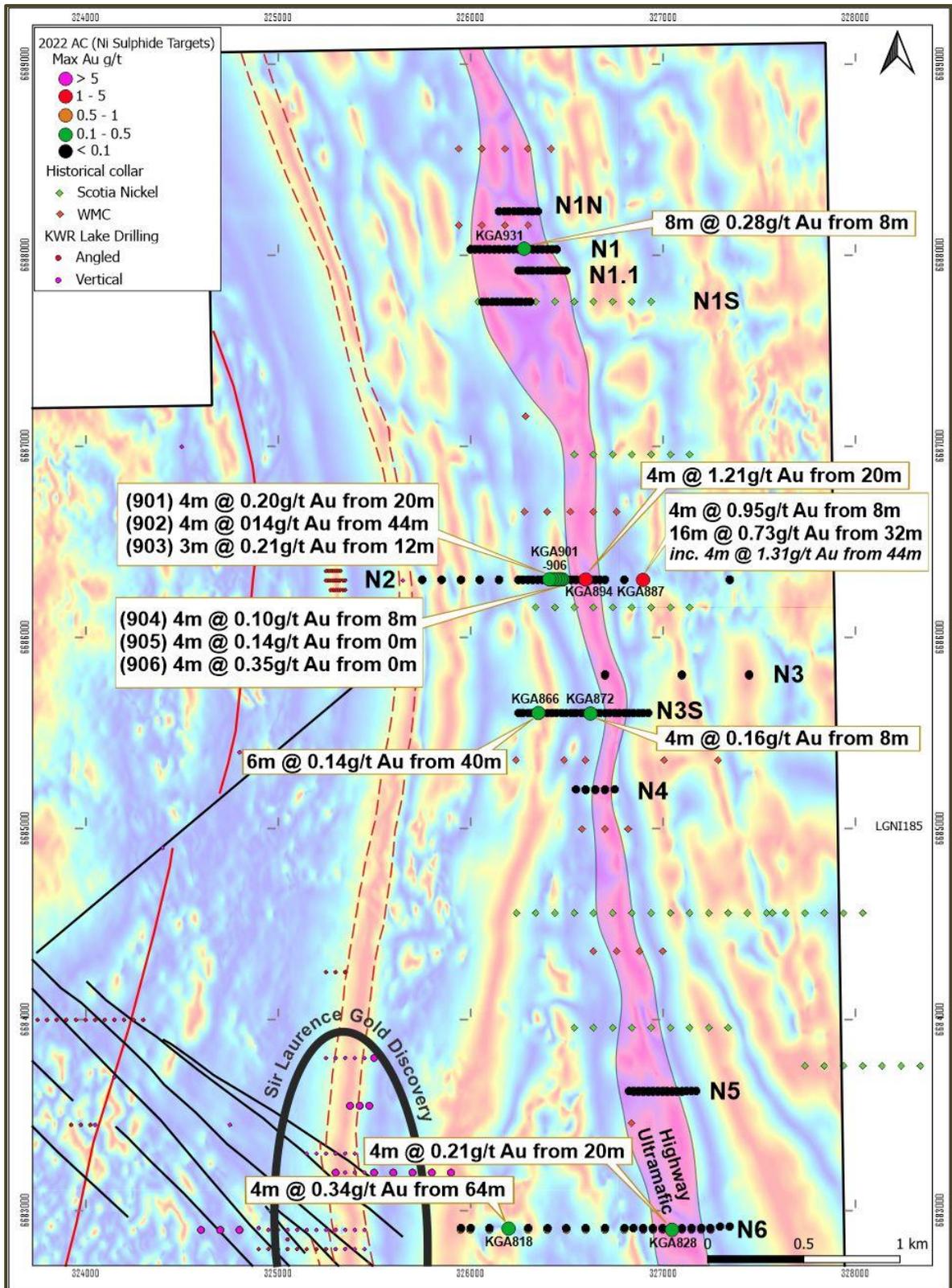


Figure 10: Northern area showing aircore drill hole locations and significant Au intersections on aeromagnetic background

Kingwest Resources Limited  
ABN 58 624 972 185

DIRECTOR'S REPORT  
For the year ended 30 June 2022

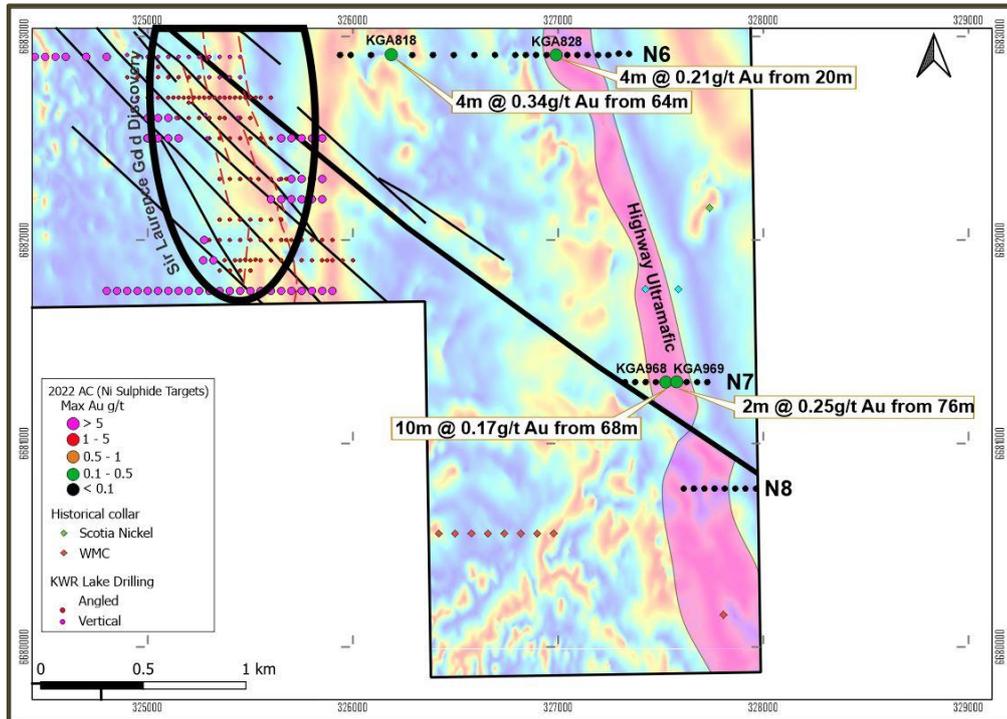


Figure 11: Central area showing aircore drill hole locations and significant Au intersections on aeromagnetic background

# Kingwest Resources Limited

ABN 58 624 972 185

## DIRECTOR'S REPORT

For the year ended 30 June 2022

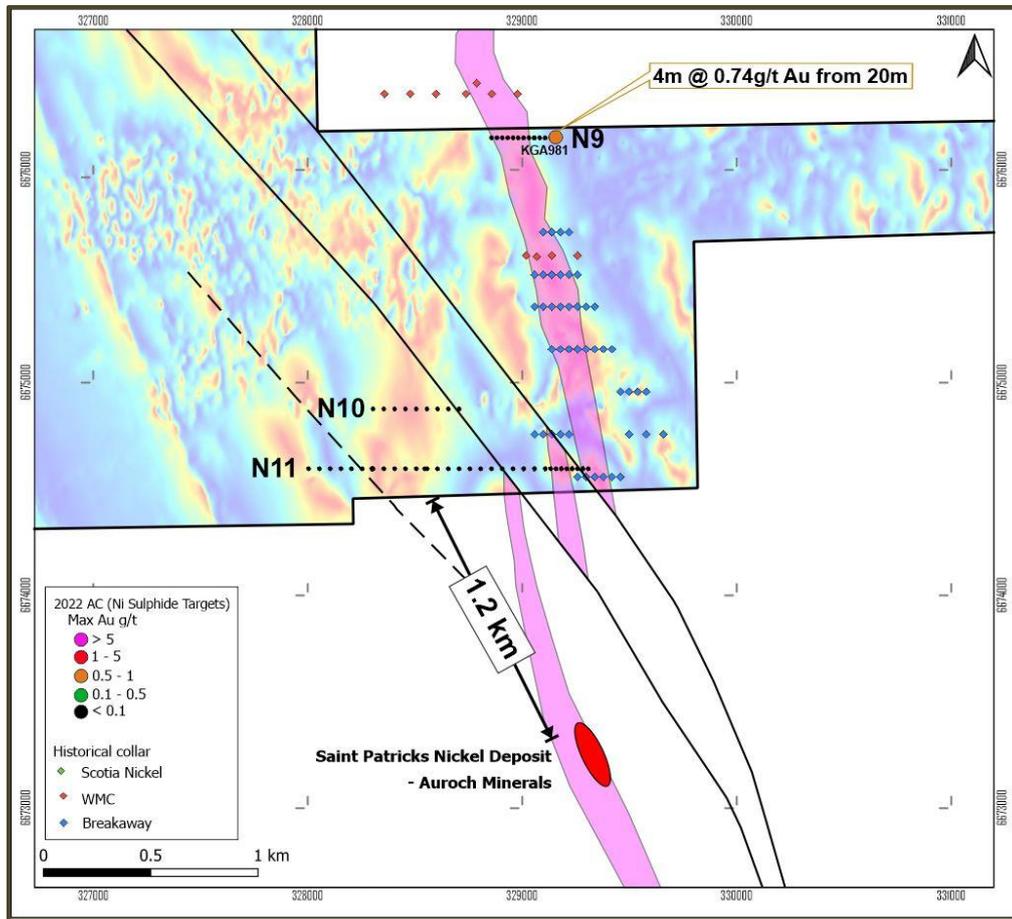


Figure 12: Southern area showing aircore drill hole locations and significant Au intersections on aeromagnetic background

### Yunndaga underground JORC Mineral Resource Estimate (MRE)

Cube Consulting (Cube) was engaged by Kingwest Resources Limited (KWR) to update the Mineral Resource Estimate (MRE) for the Yunndaga deposit. This was based on additional drilling completed at the project by KWR since the previous MRE in March 2021. The updated MRE was also aimed at producing a MRE suitable for underground mining studies given the earlier March 2021 was estimated by Localised Uniform Conditioning and more applicable to open pit mining. The MRE included 13 additional RC drillholes: KWR223 to KWR231 and KWR294 to KWR297.

The MRE totals at different cut-offs are 57,000 oz @ 4.6 g/t Au (3.0 g/t Au cut off, fresh rock only) or 79,200 oz @ 3.7g/t Au (2.0 g/t Au cut off, fresh rock only)<sup>5</sup>. Figure 13 shows the location of the Yunndaga MRE and Table's 5 and 6 include the MRE at 3.0 g/t Au and 2.0 g/t Au cut offs.

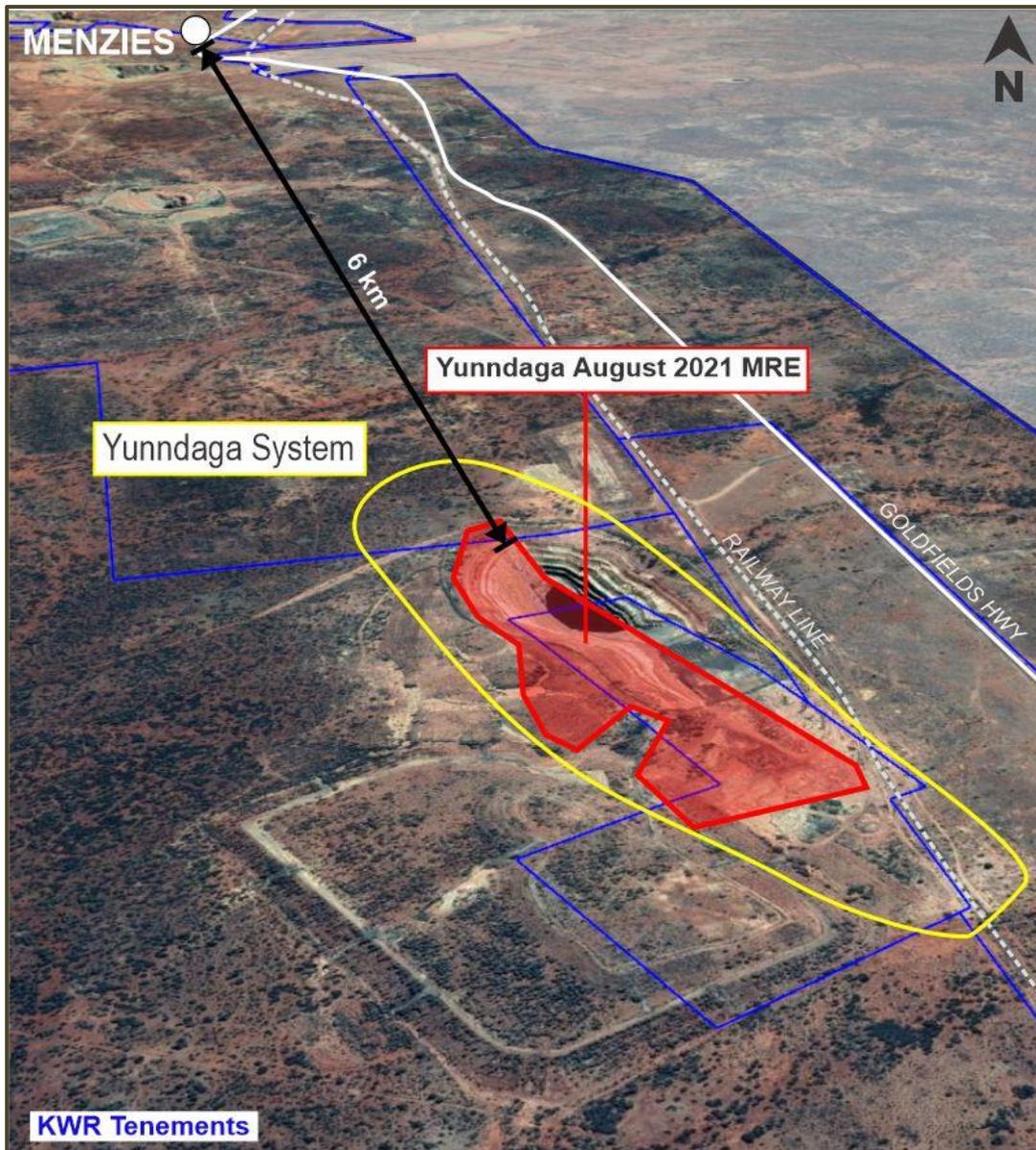


Figure 13: Location of the Yunnadaga MRE projected to surface

**Kingwest Resources Limited**

**ABN 58 624 972 185**

**DIRECTOR'S REPORT**

**For the year ended 30 June 2022**

**Table 5: Yunndaga MRE using 2.0 g/t Au cut off**

Au		Above 2g/t Au		
Category	Weathering	Tonnes	Au g/t	Oz
Indicated	OXIDE	1,764	2.31	131
	TRANS	19,361	2.79	1,737
	FRESH	207,868	3.68	24,594
<b>Sub Total</b>		<b>228,993</b>	<b>3.59</b>	<b>26,462</b>
Inferred	OXIDE	8,637	2.54	705
	TRANS	29,244	2.99	2,811
	FRESH	459,380	3.70	54,647
<b>Sub Total</b>		<b>497,261</b>	<b>3.64</b>	<b>58,163</b>
<b>Grand Total</b>		<b>726,254</b>	<b>3.62</b>	<b>84,625</b>

**Table 6: Yunndaga MRE using 3.0 g/t Au cut off**

Au		Above 3g/t Au		
Category	Weathering	Tonnes	Au g/t	Oz
Indicated	OXIDE	53	3.59	6
	TRANS	4,896	3.89	612
	FRESH	116,996	4.62	17,378
<b>Sub Total</b>		<b>121,946</b>	<b>4.59</b>	<b>17,997</b>
Inferred	OXIDE	891	3.34	96
	TRANS	9,002	4.32	1,250
	FRESH	270,559	4.56	39,666
<b>Sub Total</b>		<b>280,452</b>	<b>4.55</b>	<b>41,012</b>
<b>Grand Total</b>		<b>402,398</b>	<b>4.56</b>	<b>59,009</b>

**Menzies gold MRE's Updated**

Updated Mineral Resource Estimate's (MRE's) were completed for the Pericles, Lady Shenton and Stirling deposits at the Menzies Gold Project (MGP) (Figure 14). JORC MRE's at Menzies have increased to 505,100 ounces @ 1.3 g/t<sup>6</sup> using a 0.5g/t Au cut-off. These were based on additional RC drilling completed in 2021 that was not included in previous MRE's. New drill intersections included 26m @ 4.56 g/t Au from 158m, including 2m @ 49.49 g/t Au from 169m in KWR277<sup>7</sup> and 19m @ 2.15 g/t Au from 167m in KWR274<sup>7</sup>.

The Lady Shenton System MRE's now comprise 293,200oz @ 1.3g/t Au. Pericles MRE increases by 20% to 192,400oz @ 1.3g/t Au at a discovery cost of \$5/oz. All resources remain open at depth.

Kingwest continues to investigate the best options to develop and/or commercialise these Menzies resources. The MGP is located approximately 130km north of Kalgoorlie and is well serviced by infrastructure and within trucking distances of numerous treatment plants.

The new estimates are presented in the Table 7 below using 0.5g/t Au cut offs except for Yunndaga which includes some Inferred resources above a 2.0g/t Au cut off at greater depths.

# Kingwest Resources Limited

ABN 58 624 972 185

## DIRECTOR'S REPORT

For the year ended 30 June 2022

Table 7: Menzies Project Mineral Resource Estimates, April 2022

Category	Indicated				Inferred			Total		
	Au Cut-off	Mt	Au g/t	Ounces	Mt	Au g/t	Ounces	Mt	Au g/t	Ounces
Pericles	0.5	2.31	1.29	95,600	2.46	1.22	96,800	4.77	1.26	192,400
Lady Shenton	0.5	-	-	-	1.04	1.45	48,400	1.04	1.45	48,400
Stirling	0.5	0.46	1.54	22,700	0.70	1.14	25,700	1.16	1.30	48,500
Yunndaga	0.5	1.27	1.31	53,500	2.05	1.37	90,000	3.31	1.35	143,500
	2.0	-	-	-	0.11	3.32	12,200	0.11	3.32	12,200
Lady Harriet	0.5	0.17	2.11	11,800	0.32	1.14	11,600	0.49	1.48	23,300
Bellenger	0.5	0.32	0.92	9,400	0.08	0.89	2,400	0.40	0.91	11,800
Warrior	0.5	0.03	1.37	1,200	0.19	1.11	6,700	0.22	1.15	8,000
Selkirk	0.5	0.03	6.25	6,200	0.14	1.21	5,300	0.17	2.15	11,500
Lady Irene	0.5				0.10	1.73	5,600	0.10	1.73	5,600
<b>Total</b>		<b>4.6</b>	<b>1.36</b>	<b>200,400</b>	<b>7.18</b>	<b>1.32</b>	<b>304,700</b>	<b>11.77</b>	<b>1.33</b>	<b>505,100</b>

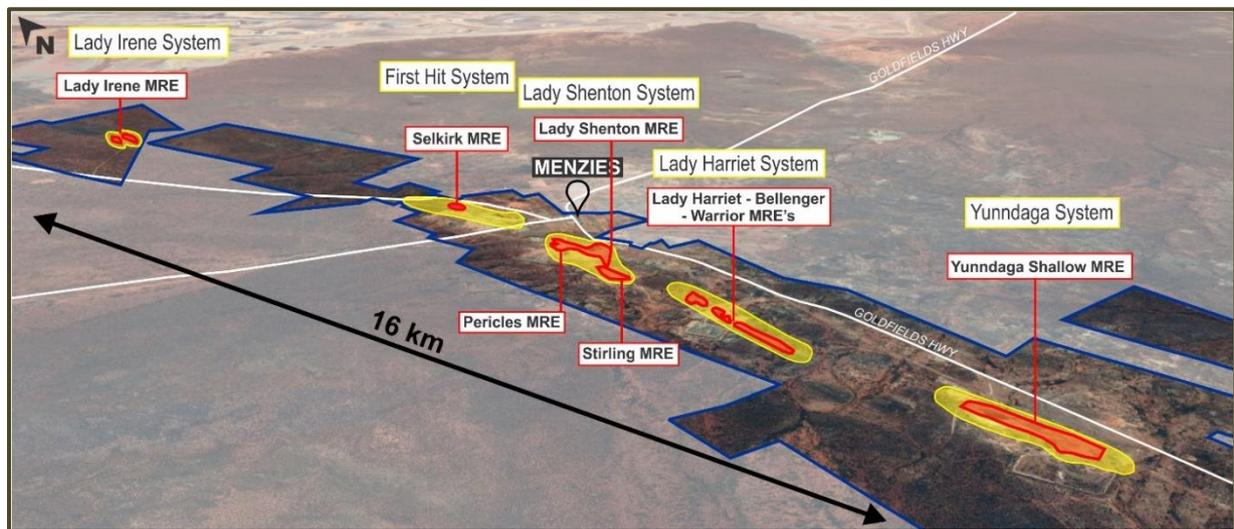


Figure 14: Menzies Gold Project (MGP) aerial view showing the main mineralised systems as well as the MRE locations

### References

- <sup>1</sup> As announced to the ASX on 3 March 2022 (ASX:KWR)
- <sup>2</sup> As announced to the ASX on 11 July 2022 (ASX:KWR)
- <sup>3</sup> As announced to the ASX on 23 May 2022 (ASX:KWR)

# Kingwest Resources Limited

ABN 58 624 972 185

## DIRECTOR'S REPORT

For the year ended 30 June 2022

---

<sup>4</sup> As announced to the ASX on 11 April 2022 (ASX:KWR)

<sup>5</sup> As announced to the ASX on 6 Sept 2022 (ASX:KWR)

<sup>6</sup> As announced to the ASX on 26 April 2022 (ASX:KWR)

<sup>7</sup> As announced to the ASX on 5 July 2021 (ASX:KWR)

### **Forward-Looking Statements**

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

### **Competent Person Statement**

*The information in this report that relates to Exploration results is based on information compiled by Mr Ed Turner who is a Member of the Australasian Institute of Geoscientists. Mr Turner is a full-time employee of Kingwest Resources Limited. Mr Turner 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 Resources and Ore Reserves' 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 Resource is based on information compiled by Mr Mark Zammit who is a Member of the Australian Institute of Geoscientists. Mr Zammit is a Principal Consultant Geologist at Cube Consulting. Mr Zammit 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 Resources and Ore Reserves' and consents to the inclusion in this report of the matters based on their information in the form and context in which they appear.*

### **Compliance Statement**

*With reference to previously reported Exploration results and mineral resources, 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.*

### **Events after the Reporting Period**

In July 2022, pursuant to the Tenement Sale Agreement entered into for the disposal of the Crawfords and Gambier Lass tenements (refer Note 17), the Group were notified that mining operations had not commenced and the Company received \$100,000 (ex GST) from the purchaser as an Advanced Royalty Payment.

On 5 August 2022 the Company issued 38,753,793 ordinary shares at \$0.065 per share as part of the Share Purchase Plan ('SPP') offered to eligible shareholders. Participants in the SPP also received 1 free attaching option for every 2 shares subscribed for exercisable at \$0.10 and expiring on 29 February 2024 ('SPP Options'). A total of 19,069,142 SPP Options were issued with a further 307,692 SPP Options to be issued to Directors that participated in the SPP following shareholder approval at the AGM.

On 15 September 2022 Mr Edward Turner resigned as Chief Executive Officer and Mr Gregory Bittar was appointed Executive Chairman.

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

## DIRECTOR'S REPORT

For the year ended 30 June 2022

---

### 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 Gregory Bittar BEc LLB MSc (Finance) Executive Chairman (appointed 1 July 2021)**

Mr Bittar has extensive experience in public and private markets mergers and acquisitions, capital markets and strategic advisory assignments across a range of sectors including general industries, metals and mining, mining services and energy. Mr Bittar has worked for Bankers Trust, Baring Brothers Burrows and with Morgan Stanley in London, Melbourne and Sydney. Greg holds a Master of Finance from the London Business School, a Bachelor of Economics and a Bachelor of Laws (Hons) from the University of Sydney.

Mr Bittar is currently a Non-Executive Director of Horizon Oil Limited and previously held the position of Chairman for ASX listed mining companies Trek Metals Limited (resigned September 2020) and Millennium Minerals Limited (resigned August 2020).

#### *Interest in Securities*

- 1,261,538 fully paid ordinary shares
- 2,250,000 unlisted options exercisable at \$0.15 expiring on 30 December 2023

#### **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*

- 1,997,180 fully paid ordinary shares
- 750,000 share appreciation rights with a strike price of \$0.28 expiring 7 October 2024

#### **Ashok Parekh, B.Bus, AIMM, CTA, FNTAA, FTIA, FCA Non-Executive Director (Appointed 2 May 2022)**

Mr Parekh is a chartered accountant, of over 40 years' experience, who owns a large accounting practice in Kalgoorlie, which he has operated for 35 years. He was awarded the Centenary Medal in 2003 by the Governor General of Australia and was recently awarded the Meritorious Service Award by the Institute of Chartered Accountants, the highest award granted by the institute in Australia.

Mr Parekh has over 35 years' experience in providing advice to mining companies and service providers to the mining industry. He has spent many years negotiating with public listed companies and prospectors on mining deals which have resulted in new IPOs and the commencement of new gold mining operations. He has also been involved in the management of gold mining and milling companies in the Kalgoorlie region and has been the Managing Director of some of these companies. He is well known in the West Australian mining industry and has a very successful background in the ownership of numerous business in the Goldfields.

# Kingwest Resources Limited

ABN 58 624 972 185

## DIRECTOR'S REPORT

For the year ended 30 June 2022

---

Mr Parekh is currently the Non-Executive Chairman of Horizon Minerals Limited.

### *Interest in Securities*

- 1,250,000 unlisted options exercisable at \$0.25 expiring on 28 April 2025.

### **Jonathan Price BSc (Env Science), Grad Dip (Metallurgy) MSc (Mineral Economics), MAusIMM, MAICD Non-Executive Director (Appointed 18 September 2019, resigned 2 May 2022)**

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 Adrian Byass BSc Geol Hons, B. Econ, FSEG and MAIG Non-Executive Director (Appointed 18 September 2019, resigned 23 May 2022)**

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.

### **Information on Other Management**

### **Edward Turner B App Sc (Geol), MAIG Chief Executive Officer (Appointed 18 September 2019) (Resigned 15 September 2022)**

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.

### **Stephen Brockhurst BCom Company Secretary (Appointed 8 October 2020) Non-Executive Director (Appointed 13 March 2018, resigned 1 July 2021)**

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.

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

#### *Voting and comments made at the company's 2021 Annual General Meeting ('AGM')*

At the 2021 AGM, 99.55% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2021. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

# Kingwest Resources Limited

ABN 58 624 972 185

## DIRECTOR'S REPORT

For the year ended 30 June 2022

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. During the financial year, effective 1 January 2022, Mr Turner's remuneration increased to \$270,000 per annum (plus superannuation) (previously \$225,000). The Company or Mr Turner may terminate the agreement by providing 3 months' notice in writing.

### Non-Executive Directors Remuneration

Mr Bittar was appointed Non-Executive Chairman on 1 July 2021. Mr Bittar is entitled to receive \$60,000 per annum (exclusive of superannuation) for his role as Chairman. The remaining Non-Executive Directors are entitled to receive \$40,000 per annum (exclusive of superannuation).

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 2022	30 June 2021	30 June 2020	30 June 2019
	\$	\$	\$	\$
Revenue	40,706	1,043,356	30,488	44,413
Profit/(loss) after income tax	(1,776,392)	(1,928,173)	(5,263,017)	(966,122)
Basic and diluted loss per share (cents)	(0.77)	(1.27)	(5.34)	(2.12)
EBIT	(1,787,717)	(1,935,332)	(5,271,682)	(1,006,714)
EBITDA	(1,740,203)	(1,883,739)	(5,242,588)	(1,011,732)
Share price at reporting date	\$0.05	\$0.079	\$0.15	\$0.13

# Kingwest Resources Limited

ABN 58 624 972 185

## DIRECTOR'S REPORT

For the year ended 30 June 2022

The Company was incorporated in March 2018 and listed on the ASX in August 2018.

### 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 2022 and 30 June 2021 are:

2022 Key Management Person	Short-term Benefits		Post- employem t 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		
	\$		\$	\$	\$	\$	\$	%
<b>Directors</b>								
Gregory Bittar	60,000	-	6,000	-	53,200	-	119,200	45%
Jonathan Downes	40,000	-	4,000	-	-	-	44,000	-
Ashok Parekh <sup>1</sup>	6,667	-	667	-	100,125	-	107,459	93%
Adrian Byass <sup>3</sup>	36,667	-	3,667	-	-	7,462	47,796	16%
Jonathan Price <sup>2</sup>	33,333	-	3,333	-	-	-	36,666	-
Stephen Brockhurst <sup>4</sup>	-	-	-	-	-	-	-	-
<b>Executive</b>								
Ed Turner	247,500	-	24,750	-	113,299	37,144	422,693	36%
<b>TOTAL</b>	<b>424,167</b>	<b>-</b>	<b>42,417</b>	<b>-</b>	<b>266,624</b>	<b>44,606</b>	<b>777,814</b>	

<sup>1</sup> Appointed 2 May 2022

<sup>2</sup> Resigned 2 May 2022

<sup>3</sup> Resigned 23 May 2022

<sup>4</sup> Resigned 1 July 2021

# Kingwest Resources Limited

ABN 58 624 972 185

## DIRECTOR'S REPORT

For the year ended 30 June 2022

2021 Key Management Person	Short-term Benefits		Post- employem t 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 \$	\$	%
<b>Directors</b>								
Adrian Byass	60,000	-	-	-	-	42,426	102,426	41%
Stephen Brockhurst	40,000	-	-	-	-	14,142	54,142	26%
Jonathan Downes	40,000	-	3,800	-	-	-	43,800	-
Jonathan Price	40,000	-	3,800	-	-	-	43,800	-
Alex McCulloch <sup>1</sup>	10,553	-	1,003	-	-	-	11,556	-
<b>Executive</b>								
Ed Turner	225,000	-	21,375	-	-	93,710	340,085	28%
<b>TOTAL</b>	<b>415,553</b>	<b>-</b>	<b>29,978</b>	<b>-</b>	<b>-</b>	<b>150,278</b>	<b>595,809</b>	

<sup>1</sup> Appointed 9 February 2021, resigned 14 May 2021

### 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 2022 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
Gregory Bittar	Unquoted Options	2,000,000	29-07-2021	\$0.0266	\$0.15	30-12-2023	2,000,000
Ed Turner	Unquoted Options	3,250,000	16-09-2021	\$0.0662	\$0.17	15-09-2024	-
Ashok Parekh	Unquoted Options	1,250,000	27-04-2022	\$0.0801	\$0.25	28-04-2025	1,250,000

# Kingwest Resources Limited

ABN 58 624 972 185

## DIRECTOR'S REPORT

For the year ended 30 June 2022

### 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.

	\$ 2022	\$ 2021
<i>Mining Corporate Pty Ltd – related party to Stephen Brockhurst<sup>1</sup></i>		
Transaction facilitation services, company secretarial, accounting and bookkeeping services during the year	-	97,920
<i>Clonaig Consulting Pty Ltd – related party to Adrian Byass</i>		
Provision of geological services during the year <sup>2</sup>	-	787
Total during the year	-	98,707

<sup>1</sup>Mr Brockhurst resigned as a Director on 1 July 2021

<sup>2</sup> Mr Byass resigned as a Director on 23 May 2022

### Outstanding balances arising from transactions

	\$ 2022	\$ 2021
<i>Mining Corporate Pty Ltd – related party to Stephen Brockhurst<sup>1</sup></i>		
Company secretarial, accounting and bookkeeping services	-	8,976
Total payable at the end of the reporting year	-	8,976

<sup>1</sup>Mr Brockhurst resigned as a Director on 1 July 2021

### 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 2022

### 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:

	Balance at beginning of year	Granted as remuneration during the year	Issued on exercise of options during the year	Other changes during the year	Balance at end of year
<b>30 June 2022</b>					
Gregory Bittar	-	-	-	800,000	800,000
Jonathan Downes	1,843,334	-	-	-	1,843,334
Ashok Parekh <sup>1</sup>	-	-	-	-	-
Jonathan Price <sup>2</sup>	-	-	-	-	-
Adrian Byass <sup>3</sup>	1,150,000	-	-	(1,150,000)	-
Stephen Brockhurst <sup>4</sup>	240,000	-	-	(240,000)	-
Ed Turner	800,000	-	-	50,000	850,000
	4,033,334	-	-	(540,000)	3,493,334

<sup>1</sup> Appointed 2 May 2022

<sup>2</sup> Resigned 2 May 2022

<sup>3</sup> Resigned 23 May 2022

<sup>4</sup> Resigned 1 July 2021

	Balance at beginning of year	Granted as remuneration during the year	Issued on exercise of options during the year	Other changes during the year	Balance at end of year
<b>30 June 2021</b>					
Adrian Byass	1,150,000	-	-	-	1,150,000
Stephen Brockhurst	200,000	-	-	40,000	240,000
Jonathan Downes	1,533,334	-	-	310,000	1,843,334
Jonathan Price	-	-	-	-	-
Alex McCulloch	-	-	-	-	-
Ed Turner	400,000	-	-	400,000	800,000
	3,283,334	-	-	750,000	4,033,334

**Kingwest Resources Limited**

**ABN 58 624 972 185**

**DIRECTOR'S REPORT**

**For the year ended 30 June 2022**

**KMP Options Holdings**

The number of options over ordinary shares 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 2022</b>						
Gregory Bittar	-	2,000,000	-	250,000	2,250,000	2,250,000
Jonathan Downes	3,000,000	-	-	(3,000,000)	-	-
Ashok Parekh <sup>1</sup>	-	1,250,000	-	-	1,250,000	1,250,000
Jonathan Price <sup>2</sup>	-	-	-	-	-	-
Adrian Byass <sup>3</sup>	3,000,000	-	-	(3,000,000)	-	-
Stephen Brockhurst <sup>4</sup>	-	-	-	-	-	-
Ed Turner	1,200,000	3,250,000	-	(1,200,000)	3,250,000	-
	<u>7,200,000</u>	<u>6,500,000</u>	<u>-</u>	<u>(6,950,000)</u>	<u>6,750,000</u>	<u>3,500,000</u>

<sup>1</sup> Appointed 2 May 2022

<sup>2</sup> Resigned 2 May 2022

<sup>3</sup> Resigned 23 May 2022

<sup>4</sup> Resigned 1 July 2021

	<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 2021</b>						
Adrian Byass	3,000,000	-	-	-	3,000,000	3,000,000
Stephen Brockhurst	1,000,000	-	-	(1,000,000)	-	-
Jonathan Downes	3,000,000	-	-	-	3,000,000	3,000,000
Jonathan Price	-	-	-	-	-	-
Alex MCCulloch	-	-	-	-	-	-
Ed Turner	1,200,000	-	-	-	1,200,000	1,200,000
	<u>8,200,000</u>	<u>-</u>	<u>-</u>	<u>(1,000,000)</u>	<u>7,200,000</u>	<u>7,200,000</u>

# Kingwest Resources Limited

ABN 58 624 972 185

## DIRECTOR'S REPORT

For the year ended 30 June 2022

### KMP Share Appreciation Rights

The number of share appreciation rights 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 2022</b>						
Gregory Bittar	-	-	-	-	-	-
Jonathan Downes	750,000	-	-	-	750,000	750,000
Ashok Parekh <sup>1</sup>	-	-	-	-	-	-
Jonathan Price <sup>2</sup>	-	-	-	-	-	-
Adrian Byass <sup>3</sup>	750,000	-	-	(750,000)	-	-
Stephen Brockhurst <sup>4</sup>	250,000	-	-	(250,000)	-	-
Ed Turner	1,500,000	-	-	-	1,500,000	1,125,000
	<u>3,250,000</u>	<u>-</u>	<u>-</u>	<u>(1,000,000)</u>	<u>2,250,000</u>	<u>1,875,000</u>

<sup>1</sup> Appointed 2 May 2022

<sup>2</sup> Resigned 2 May 2022

<sup>3</sup> Resigned 23 May 2022

<sup>4</sup> Resigned 1 July 2021

	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 2021</b>						
Adrian Byass	750,000	-	-	-	750,000	375,000
Stephen Brockhurst	250,000	-	-	-	250,000	125,000
Jonathan Downes	750,000	-	-	-	750,000	375,000
Jonathan Price	-	-	-	-	-	-
Alex McCulloch	-	-	-	-	-	-
Ed Turner	750,000	750,000	-	-	1,500,000	375,000
	<u>2,500,000</u>	<u>750,000</u>	<u>-</u>	<u>-</u>	<u>3,250,000</u>	<u>1,250,000</u>

### End of Remuneration Report

#### Meeting of Directors

During the year 5 director's meeting was held. Attendance by each director during the year were as follows:

	Eligible to attend	Meetings attended
Gregory Bittar	5	5
Jonathan Downes	5	5
Ashok Parekh	1	1
Adrian Byass	4	4
Jonathan Price	4	4

# Kingwest Resources Limited

ABN 58 624 972 185

## DIRECTOR'S REPORT

For the year ended 30 June 2022

---

### 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.

### 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 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:

	2022	2021
	\$	\$
<b>Non-audit services:</b>		
Taxation and other services	8,850	7,750

**Kingwest Resources Limited**

**ABN 58 624 972 185**

**DIRECTOR'S REPORT**

**For the year ended 30 June 2022**

---

**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 2022.

**Auditor**

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

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.



---

Gregory Bittar  
Director

Dated this 15<sup>th</sup> day of September 2022

**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 2022, 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



AIK KONG TING  
Partner

Perth, WA  
Dated: 15 September 2022

**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

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

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2022**

	Note	2022 \$	2021 \$
<b>Revenue</b>			
Interest		11,772	9,676
Gain on disposal of exploration tenements		-	1,007,040
Other Income		28,934	26,640
<b>Expenses</b>			
Accounting and audit fees		(160,684)	(140,669)
Compliance cost		(73,803)	(86,393)
Corporate advisory and consulting fees		(136,161)	(150,745)
Director & employee benefits expense		(282,723)	(289,983)
Legal expenses		(42,382)	(48,213)
Share based payments		(706,159)	(281,318)
Interest expense		(447)	(2,517)
Travel expenses		(47,398)	(13,591)
Depreciation		(47,514)	(51,593)
Impairment of exploration expenditure	6	-	(1,622,791)
Exploration & evaluation expenditure		(28,795)	-
Other expenses		(291,032)	(283,716)
<b>Loss before income tax expense</b>		<b>(1,776,392)</b>	<b>(1,928,173)</b>
Income tax expense	2	-	-
<b>Loss after income tax for the year</b>		<b>(1,776,392)</b>	<b>(1,928,173)</b>
<b>Other comprehensive income net of income tax</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive loss for the year</b>		<b>(1,776,392)</b>	<b>(1,928,173)</b>
<b>Loss Per Share</b>			
Basic and diluted loss per share (cents per share)	3	(0.77)	(1.27)

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 2022

	Note	2022 \$	2021 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4	1,797,157	3,012,020
Trade and other receivables	5	164,827	178,297
<b>TOTAL CURRENT ASSETS</b>		<b>1,961,984</b>	<b>3,190,317</b>
<b>NON-CURRENT ASSETS</b>			
Exploration and evaluation assets	6	21,516,834	17,362,712
Plant and equipment	7	214,770	45,219
Right-of-use asset	9a	-	21,621
<b>TOTAL NON-CURRENT ASSETS</b>		<b>21,731,604</b>	<b>17,429,552</b>
<b>TOTAL ASSETS</b>		<b>23,693,588</b>	<b>20,619,869</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	8	470,146	739,436
Lease liabilities	9b	-	19,549
Provisions	10	19,114	24,457
<b>TOTAL CURRENT LIABILITIES</b>		<b>489,260</b>	<b>783,442</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities	9b	-	3,314
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>-</b>	<b>3,314</b>
<b>TOTAL LIABILITIES</b>		<b>489,260</b>	<b>786,756</b>
<b>NET ASSETS</b>		<b>23,204,328</b>	<b>19,833,113</b>
<b>EQUITY</b>			
Issued capital	11	30,749,005	26,307,557
Share based payment reserve	12	2,979,468	2,273,309
Accumulated losses		(10,524,145)	(8,747,753)
<b>TOTAL EQUITY</b>		<b>23,204,328</b>	<b>19,833,113</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 2022**

	Issued Capital	Share based payment reserve	Accumulated losses	Total
	\$	\$	\$	\$
<b>Balance at 1 July 2021</b>	26,307,557	2,273,309	(8,747,753)	19,833,113
Loss for the year	-	-	(1,776,392)	(1,776,392)
Other comprehensive income	-	-	-	-
Total comprehensive loss	-	-	(1,776,392)	(1,776,392)
<i>Transactions with owner directly recorded in equity</i>				
Shares issued	4,704,375	-	-	4,704,375
Share based payments	-	706,159	-	706,159
Share issue cost	(262,927)	-	-	(262,927)
<b>Balance at 30 June 2022</b>	<b>30,749,005</b>	<b>2,979,468</b>	<b>10,524,145</b>	<b>23,204,328</b>

	Issued Capital	Share based payment reserve	Accumulated losses	Total
	\$	\$	\$	\$
<b>Balance at 1 July 2020</b>	17,925,197	1,991,951	(6,819,580)	13,097,568
Loss for the year	-	-	(1,928,173)	(1,928,173)
Other comprehensive income	-	-	-	-
Total comprehensive loss	-	-	(1,928,173)	(1,928,173)
<i>Transactions with owner directly recorded in equity</i>				
Shares issued	8,916,445	-	-	8,916,445
Share based payments	-	281,358	-	281,358
Share issue cost	(534,085)	-	-	(534,085)
<b>Balance at 30 June 2021</b>	<b>26,307,557</b>	<b>2,273,309</b>	<b>(8,747,753)</b>	<b>19,833,113</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 2022**

	Note	2022 \$	2021 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Payments to suppliers and employees		(1,021,808)	(903,360)
Interest received		11,772	9,791
Interest paid		(447)	(2,517)
<b>Net cash used in operating activities</b>	14	<b>(1,010,483)</b>	<b>(896,086)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payment for exploration expenditure		(4,427,980)	(6,024,804)
Payment for exploration assets		-	(1,625,000)
Proceeds from disposal of exploration assets		-	2,080,000
Payment for property, plant and equipment		(194,985)	(4,963)
<b>Net cash used in investing activities</b>		<b>(4,622,965)</b>	<b>(5,574,767)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of shares (net of costs)		4,441,448	6,738,235
Lease repayments		(22,863)	(36,764)
<b>Net cash provided by financing activities</b>		<b>4,418,585</b>	<b>6,701,471</b>
Net increase / (decrease) in cash and cash equivalents		(1,214,863)	230,618
<b>Cash and cash equivalents at beginning of financial year</b>		<b>3,012,020</b>	<b>2,781,402</b>
<b>Cash and cash equivalents at end of financial year</b>	4	<b>1,797,157</b>	<b>3,012,020</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 15 September 2022 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 2022, 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.

#### **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. The financial statements are presented in Australian dollars, which is Kingwest Resources Limited’s functional and presentation currency.

#### **Parent entity information**

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 22.

# 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 profit or loss and other comprehensive income.

# Kingwest Resources Limited

ABN 58 624 972 185

## NOTES TO THE FINANCIAL STATEMENTS

---

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

#### c) 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.

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.

#### d) 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.

# Kingwest Resources Limited

ABN 58 624 972 185

## NOTES TO THE FINANCIAL STATEMENTS

---

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

#### e) **Property, Plant and equipment**

Property, 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.

#### f) **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.

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.

#### g) **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 or loss 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.

# Kingwest Resources Limited

ABN 58 624 972 185

## NOTES TO THE FINANCIAL STATEMENTS

---

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

#### h) 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.

#### *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.

# Kingwest Resources Limited

ABN 58 624 972 185

## NOTES TO THE FINANCIAL STATEMENTS

---

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

#### i) 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.

#### j) 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.

#### k) 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 Hoadley's ES02/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.

#### l) 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.

#### m) 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.

# Kingwest Resources Limited

ABN 58 624 972 185

## NOTES TO THE FINANCIAL STATEMENTS

---

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

#### n) 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.

#### o) 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.

#### p) 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.

#### q) 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 allowance for expected credit losses. 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.

#### r) 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.

#### s) 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.

# Kingwest Resources Limited

ABN 58 624 972 185

## NOTES TO THE FINANCIAL STATEMENTS

---

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

#### t) 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.

#### u) Borrowing Costs

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

#### v) 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.

#### w) 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 Hoadley's ES02/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 Hoadley's ES02/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.

**Kingwest Resources Limited**

**ABN 58 624 972 185**

**NOTES TO THE FINANCIAL STATEMENTS**

---

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

***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.

x) **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 2022. The Group has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

**Kingwest Resources Limited**

**ABN 58 624 972 185**

**NOTES TO THE FINANCIAL STATEMENTS**

	<b>2022</b>	<b>2021</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	(1,776,392)	(1,928,173)
Prima facie tax benefit on loss from ordinary activities before income tax at 30%	(532,918)	(578,452)
Increase in income tax due to:		
- Temporary differences	(1,245,637)	(4,611,067)
- Permanent difference	213,624	894,065
- Unused tax losses not recognised	1,564,931	4,295,454
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%	8,380,942	7,897,205

Potential deferred tax assets attributable to tax losses and other temporary differences have not been brought to account at 30 June 2022 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>2022</b>	<b>2021</b>
	<b>Cents per share</b>	<b>Cents per share</b>
Basic and diluted loss per share	(0.77)	(1.27)

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	(1,776,392)	(1,928,173)

	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	231,494,589	152,114,981

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 2021 and 30 June 2022.

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 4: CASH AND CASH EQUIVALENTS</b>		
Cash at bank	1,797,157	3,012,020
	<b>1,797,157</b>	<b>3,012,020</b>

**NOTE 5: TRADE AND OTHER RECEIVABLES**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
<b>Current</b>		
GST receivable	71,043	108,276
Prepayments	73,819	50,118
Other receivables	19,965	19,903
	<b>164,827</b>	<b>178,297</b>

There is no allowance for expected credit losses recognised for the year ended 30 June 2022 (2021: nil).

**Kingwest Resources Limited**

**ABN 58 624 972 185**

**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 6: EXPLORATION AND EVALUATION ASSETS**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Exploration and evaluation assets	21,516,834	17,362,712
<b>Total Exploration and evaluation assets</b>	<b>21,516,834</b>	<b>17,362,712</b>

**Movements in exploration and evaluation assets**

Balance at the beginning of year	17,362,712	14,697,643
Costs capitalised	4,154,122	5,360,820
Tenement disposal <sup>1</sup>	-	(1,072,960)
Impairment of costs	-	(1,622,791)
<b>Balance at the end of reporting year</b>	<b>21,516,834</b>	<b>17,362,712</b>

<sup>1</sup> During the year ended 30 June 2021 the Group disposed of Goongarrie Lady tenements (M29/420 and L29/109) for upfront cash consideration of \$1,900,000 (ex GST) and the Crawfords and Gambier Lass tenements (M37/1202, E37/893 and P37/8901) for upfront cash consideration of \$180,000 (ex GST). The Group recognised a gain on disposal of the tenements of \$1,007,040. Consideration for the disposal also included deferred consideration based on future milestones which has been disclosed as a contingent asset (refer to Note 17).

**NOTE 7: PROPERTY, PLANT & EQUIPMENT**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Land & Buildings at cost	103,382	-
Land & buildings – accumulated depreciation	-	-
	<b>103,382</b>	<b>-</b>

Plant & equipment at cost	166,525	74,922
Plant & equipment – accumulated depreciation	(55,137)	(29,703)
	<b>111,388</b>	<b>45,219</b>

<b>Total Property, Plant &amp; Equipment</b>	<b>214,770</b>	<b>45,219</b>
--	----------------	---------------

Balance at the beginning of year	45,219	54,785
Additions	195,444	4,963
Depreciation	(25,893)	(14,529)
<b>Balance at the end of reporting year</b>	<b>214,770</b>	<b>45,219</b>

Kingwest Resources Limited

ABN 58 624 972 185

NOTES TO THE FINANCIAL STATEMENTS

**NOTE 8: TRADE AND OTHER PAYABLES**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
<b>Current</b>		
Trade creditors	82,855	589,432
Accruals	387,291	150,004
	<u><b>470,146</b></u>	<u><b>739,436</b></u>

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

**NOTE 9: LEASES**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
<b>a) Right-of-use asset</b>		
Balance at the beginning of the year	21,621	58,685
Additions	-	-
Depreciation	(21,621)	(37,064)
Balance at the end of the year	<u>-</u>	<u>21,621</u>
<b>b) Lease liabilities</b>		
Office lease	<u>-</u>	<u>22,863</u>
Current	-	19,549
Non-Current	-	3,314
Total	<u>-</u>	<u>22,863</u>

**NOTE 10: PROVISIONS**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
<b>Current</b>		
Employee Benefits	<u>19,114</u>	<u>24,457</u>

Kingwest Resources Limited

ABN 58 624 972 185

NOTES TO THE FINANCIAL STATEMENTS

**NOTE 11: ISSUED CAPITAL**

	2022 No.	2022 \$
Ordinary shares - fully paid	<u>242,973,025</u>	<u>30,749,005</u>

**Movement in ordinary shares:**

<b>Balance at beginning of year</b>	<u>202,027,191</u>	<u>26,307,557</u>
Placement – 2 August 2021	6,250,000	500,000
Placement – 22 October 2021	33,333,334	4,000,000
Option conversions during the year	1,362,500	204,375
Share issue cost	-	(262,927)
<b>Balance at 30 June 2022</b>	<u>242,973,025</u>	<u>30,749,005</u>

	2021 No.	2021 \$
Ordinary shares - fully paid	<u>202,027,191</u>	<u>26,307,557</u>

**Movement in ordinary shares:**

<b>Balance at beginning of year</b>	<u>121,905,376</u>	<u>17,925,197</u>
Entitlement Issue Placement – 18 September 2020	24,381,075	3,291,445
Placement – 25 September 2020	7,407,407	1,000,000
Issue of shares for acquisition of Menzies Project (deferred consideration) – 24 March 2021	10,833,333	1,625,000
Placement – 8 June 2021	37,500,000	3,000,000
Share issue cost	-	(534,085)
<b>Balance at 30 June 2021</b>	<u>202,027,191</u>	<u>26,307,557</u>

**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.

**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.

# Kingwest Resources Limited

ABN 58 624 972 185

## NOTES TO THE FINANCIAL STATEMENTS

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

	2022	2021
	\$	\$
Opening balance	2,273,309	1,991,951
Options expense	631,060	31,852
Share appreciation rights expense	75,099	249,506
Closing balance	<b>2,979,468</b>	<b>2,273,309</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 2021</b>	8,250,000	0.30	0.35
Issued	41,075,000	0.17	2.66
Forfeited	-	-	-
Exercised	(1,362,500)	0.15	2.04
Expired	(7,850,000)	0.49	-
<b>Options outstanding as at 30 June 2022</b>	<b>40,112,500</b>	<b>0.17</b>	<b>1.85</b>
<b>Options exercisable as at 30 June 2022</b>	32,162,500	0.13	1.39
	Number	Weighted Average Exercise Price (\$)	Weighted Average Remaining Life (years)
<b>Options outstanding as at 1 July 2020</b>	23,600,000	0.30	1.3
Issued	400,000	0.22	1.8
Forfeited	-	-	-
Exercised	-	-	-
Expired	(15,750,000)	0.20	-
<b>Options outstanding as at 30 June 2021</b>	<b>8,250,000</b>	<b>0.30</b>	<b>0.35</b>
<b>Options exercisable as at 30 June 2021</b>	8,250,000	0.30	0.35

**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 2021</b>	4,095,000	0.25	2.90
Issued	-	-	-
Forfeited	-	-	-
Exercised	-	-	-
Expired	-	-	-
<b>Share appreciation rights outstanding as at 30 June 2022</b>	<b>4,095,000</b>	<b>0.25</b>	<b>1.90</b>
<b>Share appreciation rights exercisable as at 30 June 2022</b>	<b>3,532,500</b>	<b>0.23</b>	<b>1.82</b>

	Number	Weighted Average Strike Price (\$)	Weighted Average Remaining Life (years)
<b>Share appreciation rights outstanding as at 1 July 2020</b>	2,970,000	0.28	4.3
Issued	1,125,000	0.18	3.0
Forfeited	-	-	-
Exercised	-	-	-
Expired	-	-	-
<b>Share appreciation rights outstanding as at 30 June 2021</b>	<b>4,095,000</b>	<b>0.25</b>	<b>2.90</b>
<b>Share appreciation rights exercisable as at 30 June 2021</b>	<b>1,485,000</b>	<b>0.28</b>	<b>2.27</b>

See note 16 for valuation technique, assumptions and inputs.

<b>NOTE 13: AUDITORS' REMUNERATION</b>	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Remuneration of the auditor of the Group for:		
Audit or review of the financial report	36,500	33,500
Non-audit services:		
Other services	8,850	7,750

**Kingwest Resources Limited**

**ABN 58 624 972 185**

**NOTES TO THE FINANCIAL STATEMENTS**

---

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 14: CASHFLOW INFORMATION</b>		
<b>a. Reconciliation of Cash Flow from Operations with Loss after Income Tax</b>		
Loss after income tax	(1,776,392)	(1,928,173)
<u>Non-cash adjustment</u>		
Share Based Payments	706,159	281,358
Impairment	-	1,622,791
(Gain) / Loss on disposal	-	(1,007,040)
Depreciation	47,514	51,593
Changes in assets and liabilities;		
Trade and other receivables	32,370	7,154
Trade payables and accruals	(14,790)	63,541
Provisions	(5,343)	12,690
<b>Cashflow used in operating activities</b>	<b>(1,010,482)</b>	<b>(896,086)</b>

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

During the year, the Group had no non-cash financing and investing activities.

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

- Issue of 10,833,333 shares at an issue price of \$0.15 per share for the deferred acquisition consideration of the Menzies and Goongarrie tenements.

**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>2022</b>	<b>2021</b>
	\$	\$
Short-term employment benefits	424,167	415,553
Post-employment benefits	42,417	29,978
Share based payments	311,230	150,278
Total remuneration paid or due to be paid	<u>777,814</u>	<u>595,809</u>

**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>2022</b>	<b>2021</b>
	\$	\$
<i>Mining Corporate Pty Ltd – related party to Stephen Brockhurst<sup>1</sup></i> Transaction facilitation services, company secretarial, accounting and bookkeeping services during the year	-	97,920
Clonaig Consulting Pty Ltd – related party to Adrian Byass <sup>2</sup> Provision of geological services during the year	-	787
Total during the year	<u>-</u>	<u>98,707</u>

<sup>1</sup> Mr Brockhurst resigned as a Director on 1 July 2021.

<sup>2</sup> Mr Byass resigned as a Director on 23 May 2022.

**Outstanding balances arising from transactions**

	<b>30 June 2022</b>	<b>30 June 2021</b>
	\$	\$
<i>Mining Corporate Pty Ltd – related party to Stephen Brockhurst<sup>1</sup></i> Company secretarial, accounting and bookkeeping services during the year	-	8,976

<sup>1</sup> Mr Brockhurst resigned as a Director on 1 July 2021.

**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 2022	30 June 2021
	\$	\$
<b>Shares</b>		
10,833,333 Ordinary shares issued as deferred consideration to acquire the Menzies Gold Project at a deemed issue price of \$0.15 per share	-	1,625,000
<b>Unlisted Securities</b>		
8,000,000 options issued to joint lead managers of the Placement – issued October 2021 (a)	224,593	-
1,700,000 options issued to employees and consultants – issued February 2022 (b)	35,259	-
6,250,000 options issued to employees and consultants – issued September 2021 (b)	217,883	-
2,000,000 options issued to a Director – issued August 2021 (c)	53,200	-
1,250,000 options issued to a Director – issued April 2022 (c)	100,125	-
400,000 options issued to consultants	-	31,852
2,970,000 share appreciation rights issued pursuant to the Performance Rights Plan (d)	31,941	178,670
1,125,000 share appreciation rights issued pursuant to the Performance Rights Plan (d)	43,158	70,836

#### a) *Joint Lead Manager Options*

The Joint Lead Manager (JLM) Options were issued on 22 October 2021 as part of the Placement for ongoing corporate advisory services.

Grant Date/entitlement	Number of Instruments	Grant Date	Expiry Date	Exercise Price	Fair value per instrument \$	Value \$
JLM Options	4,000,000	22/10/2021	21/10/2024	\$0.20	0.0533	213,200
JLM Options	4,000,000	22/10/2021	21/10/2024	\$0.20	0.0567	226,800

The options issued during the period were calculated using the Hoadley's ESO2 pricing model with the following inputs:

	Options granted Range
Expected volatility (%)	90%
Risk free interest rate (%)	0.65%
Weighted average expected life of options (years)	3.0
Expected dividends	Nil
Early exercise multiple	2.5x
Option exercise price (\$)	\$0.20
Share price at grant date (\$)	\$0.125

50% of the options vest after 12 months and 50% vest after 24 months, from the date of issue.

# Kingwest Resources Limited

ABN 58 624 972 185

## NOTES TO THE FINANCIAL STATEMENTS

### b) *Employee and Consultant Options*

The Employee and Consultant Options were issued on 16 September 2021 and 18 February 2022.

Grant Date/entitlement	Number of Instruments	Grant Date	Expiry Date	Exercise Price	Fair value per instrument \$	Value \$
Employee & Consultant Options	6,250,000	16/09/2021	15/09/2024	\$0.17	0.0662	413,750
Employee & Consultant Options	1,700,000	18/02/2022	15/02/2025	\$0.285	0.0873	148,410

The options issued during the period were calculated using the Hoadley's ESO2 option pricing model with the following inputs:

	Options granted Range
Expected volatility (%)	90%
Risk free interest rate (%)	0.16% - 1.59%
Weighted average expected life of options (years)	3.0
Expected dividends	Nil
Early exercise multiple	2.5x
Option exercise price (\$)	\$0.17 - \$0.285
Share price at grant date (\$)	\$0.135 - \$0.19

The options vest 18 months from the date of issue.

### c) *Director Options*

The Director Options were issued to Gregory Bittar and Ashok Parekh in accordance with the terms of their appointment as Non-Executive Directors.

Grant Date/entitlement	Number of Instruments	Grant Date	Expiry Date	Exercise Price	Fair value per instrument \$	Value \$
Director Options – G Bittar	2,000,000	29/07/2021	30/12/2023	\$0.15	0.0266	53,200
Director Options – A Parekh	1,250,000	27/04/2022	29/04/2022	\$0.25	0.0801	100,125

The options issued during the period were calculated using the Hoadley's ESO2 option pricing model with the following inputs:

	Options granted Range
Expected volatility (%)	90%
Risk free interest rate (%)	0.12% - 2.68%
Weighted average expected life of options (years)	2.5 – 3.0
Expected dividends	Nil
Early exercise multiple	2.5x
Option exercise price (\$)	\$0.15 - \$0.25
Share price at grant date (\$)	\$0.079 - \$0.18

The options were deemed to vest immediately.

**Kingwest Resources Limited**

**ABN 58 624 972 185**

**NOTES TO THE FINANCIAL STATEMENTS**

**d) Share Appreciation Rights**

The Performance Rights Plan was approved by shareholders on 10 September 2019. On 17 September 2020 1,125,000 Share Appreciation Rights (SARs) were issued to employees, of these 50% vested on 17 September 2021 (Tranche 1) and 50% vest on 17 September 2022 (Tranche 2). On 7 October 2019 1,970,000 Share Appreciation Rights (SARs) were issued to employees, of these 50% vested on 7 October 2020 (Tranche 1) and 50% vested 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% vested on 7 October 2020 (Tranche 3) and 50% vested 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 \$0.18 expiring 15 September 2023	562,500	17/09/2020	17/09/2021	0.107	60,131
Tranche 2 - SARs issued to employees / consultants at a strike price of \$0.18 expiring 15 September 2023	562,500	17/09/2020	17/09/2022	0.107	60,131
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 previous year were calculated using a binomial pricing model with the following range of inputs:

	<b>Rights granted</b>
Expected volatility (%)	100%
Risk free interest rate (%)	0.75%
Weighted average expected life (years)	3 years
Expected dividends	Nil
Strike price (\$)	\$0.18
Share price at grant date (\$)	\$0.18

# Kingwest Resources Limited

ABN 58 624 972 185

## NOTES TO THE FINANCIAL STATEMENTS

### e) *Consultant Options*

The Consultant Options were issued on 23 November 2020 in lieu of services provided.

Grant Date/entitlement	Number of Instruments	Grant Date	Expiry Date	Exercise Price	Fair value per instrument \$	Value \$
Consultant Options	400,000	20/11/2020	22/09/2022	\$0.215	0.0795	31,812

The options issued during prior 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)	1.83
Expected dividends	Nil
Issue price (\$)	\$0.0001
Option exercise price (\$)	\$0.215
Share price at grant date (\$)	\$0.175
Fair value of option (\$)	\$0.0795

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

### NOTE 17: CONTINGENT ASSETS AND LIABILITIES

During the 2021 financial year the Group disposed on the Goongarrie Lady tenements (M29/420 and L29/109). As part of the sale the Group is entitled to royalty payments of \$20/oz (ex GST) uncapped on gold troy ounces produced after the initial 15koz of production from the Goongarrie Lady tenements.

During the 2021 financial year the Group disposed of the Crawfords and Gambier Lass tenements (M37/1202, E37/893 and P37/8901). As part of the sale the Group is entitled to a 1.75% Net Smelter Return (NSR) Royalty for all production on tenements M37/1202 and E37/893. In the event that a decision to mine is not made by the purchaser by 22 July 2021, the purchaser must pay the Group \$100,000 (ex GST). If mining operations have not commenced by 22 July 2022 or 22 July 2023 the purchaser must pay the Group \$100,000 (ex GST) on each of those dates. Subsequent to the end of the reporting period the Group were notified that mining operations had not commenced and the Company received \$100,000 (ex GST) from the purchaser.

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 2020 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 2022.

## 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 2022	30 June 2021
Less than 12 months	702,152	564,382
Between 12 months and 5 years	2,283,534	1,524,835
5 years or more	2,111,075	1,524,495
<b>Total</b>	<b>5,096,761</b>	<b>3,613,712</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**

<b>2022</b>	<b>Weighted Average Interest Rate</b>	<b>1 year or less \$</b>	<b>Between 1 &amp; 2 years \$</b>	<b>Between 2 &amp; 5 years \$</b>	<b>Total \$</b>
<b>Non-Derivatives</b>					
<i>Financial Assets</i>					
Cash and Cash Equivalents	1%	1,797,157	-	-	1,797,157
Trade and Other Receivables	-	164,827	-	-	164,827
<i>Financial Liabilities</i>					
Trade Payables	-	(470,146)	-	-	(470,146)
Borrowings	-	-	-	-	-
<b>Net Financial Assets</b>		<b>1,491,838</b>	<b>-</b>	<b>-</b>	<b>1,491,838</b>
<b>2021</b>					
	<b>Weighted Average Interest Rate</b>	<b>1 year or less \$</b>	<b>Between 1 &amp; 2 years \$</b>	<b>Between 2 &amp; 5 years \$</b>	<b>Total \$</b>
<b>Non-Derivatives</b>					
<i>Financial Assets</i>					
Cash and Cash Equivalents	1%	3,012,020	-	-	3,012,020
Trade and Other Receivables	-	178,297	-	-	178,297
<i>Financial Liabilities</i>					
Trade Payables	-	(739,436)	-	-	(739,436)
Borrowings	6%	(19,549)	(3,314)	-	(22,863)
<b>Net Financial Liabilities</b>		<b>2,431,332</b>	<b>(3,314)</b>	<b>-</b>	<b>2,428,018</b>

**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 2022	30 June 2021
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	Australia	100%	100%
Goongarrie Operational and Mining Pty Ltd	Australia	100%	100%

### NOTE 22: PARENT ENTITY DISCLOSURES

Financial position	2022	2021
	\$	\$
Assets		
Current assets	1,961,975	3,190,308
Non-current assets	21,565,966	17,435,560
Total assets	<u>23,527,941</u>	<u>20,625,868</u>
Liabilities		
Current liabilities	489,290	955,118
Non-current liabilities	-	3,314
Total liabilities	<u>489,290</u>	<u>958,432</u>
Equity		
Issued capital	30,749,006	26,307,558
Accumulated losses	(10,689,823)	(8,913,431)
Reserves	2,979,468	2,273,309
Total equity	<u>23,038,651</u>	<u>19,667,436</u>
Financial performance		
Loss for the year	<u>(1,776,392)</u>	<u>(2,107,419)</u>
Total comprehensive loss for the year	<u>(1,776,392)</u>	<u>(2,107,419)</u>

### Other Commitments and Contingencies:

As at 30 June 2022 the Groups exploration tenements are held by the Company's subsidiaries listed in note 21.

Kingwest Resources Limited had no other contingent liabilities as at 30 June 2022.

**Kingwest Resources Limited**

**ABN 58 624 972 185**

**NOTES TO THE FINANCIAL STATEMENTS**

---

**NOTE 23: EVENTS AFTER REPORTING PERIOD**

In July 2022, pursuant to the Tenement Sale Agreement entered into for the disposal of the Crawfords and Gambier Lass tenements (refer Note 17), the Group were notified that mining operations had not commenced and the Company received \$100,000 (ex GST) from the purchaser as an Advanced Royalty Payment.

On 5 August 2022 the Company issued 38,753,793 ordinary shares at \$0.065 per share as part of the Share Purchase Plan ('SPP') offered to eligible shareholders. Participants in the SPP also received 1 free attaching option for every 2 shares subscribed for exercisable at \$0.10 and expiring on 29 February 2024 ('SPP Options'). A total of 19,069,142 SPP Options were issued with a further 307,692 SPP Options to be issued to Directors that participated in the SPP following shareholder approval at the AGM.

On 15 September 2022 Mr Edward Turner resigned as Chief Executive Officer and Mr Gregory Bittar was appointed Executive Chairman.

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 2022 and of its performance, for the year ended 30 June 2022; 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*.



Gregory Bittar  
Director

Perth, 15 September 2022

**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 2022, 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 2022 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.

## 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
<p><b>Exploration and Evaluation Assets</b> Refer to Note 6 in the financial statements</p>	
<p>As at the reporting date, the Group has capitalised exploration and evaluation assets of \$21,516,834.</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 exploration and evaluation assets including:</p> <ul style="list-style-type: none"> <li>• Determination of 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>• Determining whether exploration activities have reached a stage at which the existence of an economically recoverable reserves may be determined; and</li> <li>• Assessing whether any indicators of impairment are present and if so, judgement applied to determine and quantify any impairment loss.</li> </ul>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> <li>• Assessing whether the rights to tenure of those areas of interest are current;</li> <li>• Testing a sample of additions to supporting documentation and ensuring the amounts capitalised during the year are in compliance with relevant accounting standards and relate to the area of interest;</li> <li>• Assessing and evaluating management's assessment of whether indicators of impairment existed at balance date;</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>• 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>
<p><b>Share-Based Payments</b> Refer to Note 16 in the financial statements</p>	
<p>During the year, the Group entered into a shared-based payments arrangement with its key management personnel, employees, advisors and suppliers.</p> <p>Management have accounted for these instruments in accordance with AASB 2 Share-Based Payments.</p> <p>We considered this to be a key audit matter due to the significant judgements involved in assessing the fair value of the instruments issued during the year.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> <li>• Obtaining an understanding of the terms and conditions of the instruments issued;</li> <li>• Testing the completeness of the instruments issued at reporting date;</li> <li>• Evaluating the appropriateness of management's valuation methodology applied to determine the fair value of the instruments issued;</li> <li>• Testing the key inputs used in the valuation model;</li> <li>• Recalculating the value of the share-based payment expense to be recognised in the statement of profit or loss and other comprehensive income; and</li> <li>• Assessing the appropriateness of 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 2022 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 2022.

In our opinion, the Remuneration Report of Kingwest Resources Limited, for the year ended 30 June 2022, 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.



RSM AUSTRALIA PARTNERS



AIK KONG TING  
Partner

Perth, WA  
Dated: 15 September 2022

**Kingwest Resources Limited**

**ABN 58 624 972 185**

**SCHEDULE OF EXPLORATION TENEMENTS**

The information is current as at 12 September 2022:

<b>PROJECT</b>	<b>TENEMENT</b>	<b>TENURE TYPE</b>	<b>STATUS</b>	<b>KWR CURRENT INTEREST</b>
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%
	P29/2346	PROSPECTING	GRANTED	100%
	P29/2450	PROSPECTING	GRANTED	100%
	P29/2578	PROSPECTING	GRANTED	100%
	P29/2579	PROSPECTING	GRANTED	100%
	P29/2580	PROSPECTING	GRANTED	100%
	P29/2581	PROSPECTING	GRANTED	100%
	P29/2582	PROSPECTING	GRANTED	100%
	P29/2583	PROSPECTING	GRANTED	100%
	P29/2584	PROSPECTING	GRANTED	100%
P29/2585	PROSPECTING	GRANTED	100%	
GOONGARRIE (Western Australia)	P29/2380	PROSPECTING	GRANTED	100%
	P29/2381	PROSPECTING	GRANTED	100%
	P29/2412	PROSPECTING	GRANTED	100%
	P29/2413	PROSPECTING	GRANTED	100%
	P29/2530	PROSPECTING	GRANTED	100%
	P29/2531	PROSPECTING	GRANTED	100%
	P29/2532	PROSPECTING	GRANTED	100%
	P29/2533	PROSPECTING	GRANTED	100%
	P29/2467	PROSPECTING	GRANTED	100%
	P29/2468	PROSPECTING	GRANTED	100%
	E29/966	EXPLORATION	GRANTED	100%
	E29/1062	EXPLORATION	GRANTED	100%
	E29/996	EXPLORATION	GRANTED	100%

# 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 12 September 2022.

### 1. Shareholding

#### a. Distribution of Shareholders

Category (size of holding)	Class of Equity Security	
	Number of Holders	Fully Paid Ordinary Shares
1 - 1,000	35	4,626
1,001 – 5,000	151	560,537
5,001 – 10,000	236	1,921,044
10,001 – 100,000	762	31,497,451
100,001 – and over	411	247,743,160
	<b>1,595</b>	<b>281,726,818</b>

b. The number of shareholdings held in less than marketable parcels is 306.

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

#### **Fully Paid Ordinary Shares**

Holder	Number	%
Horizon Minerals Limited	37,083,333	13.1

#### 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	37,083,333	13.16%
2.	EQUITY TRUSTEES LIMITED <LOWELL RESOURCES FUND A/C>	6,571,538	2.33%
3.	JEFF TOWLER BUILDING PTY LTD	5,050,000	1.79%
4.	CITICORP NOMINEES PTY LIMITED	4,336,894	1.54%
5.	DRP CARTONS (NSW) PTY LIMITED <DRP CARTONS NSW P/L S/F A/C>	3,990,000	1.42%
6.	DRP CARTONS (NSW) PTY LTD	3,906,000	1.39%
7.	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	3,611,538	1.28%
8.	HEAGRA PTY LIMITED <GS & HR CAMPBELL SF A/C>	3,500,000	1.24%
9.	MR STEPHEN KAM LO TONG & MRS PATSY LIN HAP TONG <BIALLA SUPER FUND A/C>	3,041,511	1.08%
10.	MR TIMOTHY STEWART CAMPBELL	3,000,538	1.07%
11.	A22 PTY LIMITED <GROVER INVESTMENT A/C>	2,800,000	0.99%
12.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	2,728,911	0.97%
13.	MR ROBERT JAMES NAIRN & MR WILLIAM IAN NAIRN <MAX POWERS A/C>	2,512,606	0.89%
14.	PONDEROSA INVESTMENTS (WA) PTY LTD <PONDEROSA INVESTMENT A/C>	2,500,000	0.89%
15.	DR NEIL NAKULA TANUDISASTRO	2,311,538	0.82%
16.	MR PAUL ANTHONY GILLET	2,211,538	0.79%
17.	MR LUKE PATRICK INNES <THE LUKE INNES SERVICES A/C>	2,200,000	0.78%
18.	PYLARA PTY LTD	2,160,000	0.77%
19.	CENTRAL IRON ORE LIMITED	2,095,830	0.74%
20.	MRS FAREEHA UMAR	2,000,000	0.71%
		<hr/>	
		97,611,775	34.65%

- The Name of the Company Secretary is Mr Stephen Brockhurst.
- The address of the registered office is Level 8, 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.
- Registers of securities are held at the following address:  
Automic Group  
Level 5, 191 St Georges Terrace  
Perth WA 6000

## Kingwest Resources Limited

ABN 58 624 972 185

### SHAREHOLDER INFORMATION

---

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 no restricted securities on issue as at the date of this report.

7. **Unquoted Securities**

The Company has the following unquoted securities on issue as at the date of this report:

- 400,000 options exercisable at \$0.215 on or before 22 September 2022
- 22,512,500 options exercisable at \$0.15 on or before 30 December 2023
- 6,250,000 options exercisable at \$0.17 on or before 15 September 2024
- 8,000,000 options exercisable at \$0.20 on or before 21 October 2024
- 1,700,000 options exercisable at \$0.285 on or before 15 February 2025
- 1,250,000 options exercisable at \$0.25 on or before 28 April 2025
- 19,069,142 options exercisable at \$0.10 on or before 29 February 2024
- 2,970,000 share appreciation rights with a strike price of \$0.28 expiring 7 October 2024
- 1,125,000 share appreciation rights with a strike price of \$0.18 expiring 15 September 2023