

Kingwest Resources Ltd

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Kingwest Resources has drill spinning at Menzies Gold Project in WA

- Diamond drilling underway at Menzies with assays expected in two weeks;
- Menzies-Goongarrie combined mineral resource sits at 258,336 ounces; and
- Pit optimisation and economic studies ongoing for several deposits.

Kingwest Resources Ltd (ASX:KWR) remains focused on gold exploration in the Eastern Goldfields region of Western Australia with its core objective being to develop the highly prospective Menzies Gold Project (MGP) north of Kalgoorlie.

The MGP covers a contiguous land package over a strike length of 16 kilometres, where a series of structurally controlled high-grade gold deposits have been historically mined and display exploration potential for high-grade extensions.

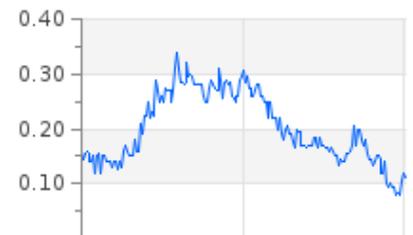
The company's strategy for 2020 and beyond is to:

- Drill known high-grade brownfields targets at Menzies to increase resources with the aim of setting a base for high-margin underground mining;
- Drill new exploration targets in the belt at Menzies; and
- Monetise and sell non-core Leonora projects.

Price: 0.11

Market Cap: \$13.41 m

1 Year Share Price Graph



April 2019 October 2019 March 2020

Share Information

Code: KWR

Listing: ASX

52 week	High	Low
	0.375	0.073

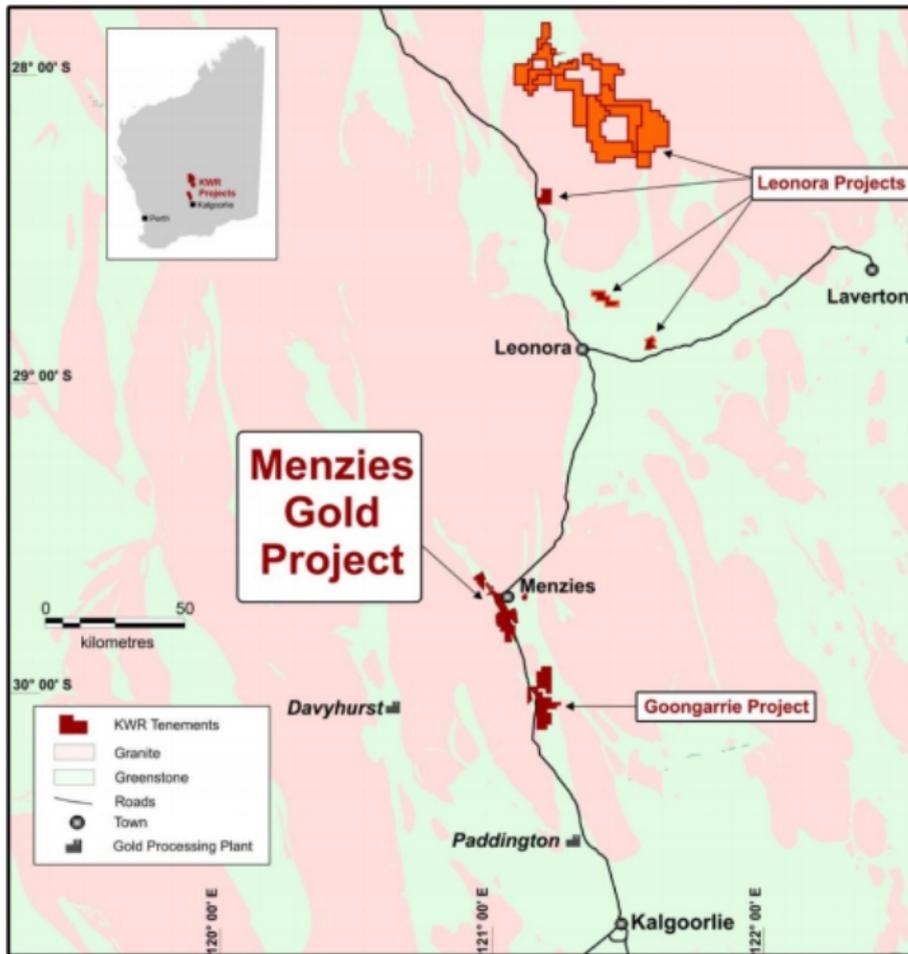
Sector: Gold & silver

Website: www.kingwestresources.com.au

Company Synopsis:

Kingwest Resources Ltd (ASX:KWR) is listed on the Australian Securities Exchange.

action@proactiveinvestors.com.au



The Menzies and Goongarrie gold projects

Since its closure more than 20 years ago, modern exploration has been limited and chief executive officer Ed Turner told Proactive that before the acquisition of the project in September 2019, only 21 drill holes deeper than 200 metres had been drilled.

"That is a very low amount. We have already done 30-odd and will do another 20 in the program which is happening now.

"So, there is still plenty of exploration to be done - we've identified a lot of areas in between the known deposits which haven't effectively been drilled."

The project is hosted along the Menzies Shear Zone and includes the Lady Irene, Selkirk, First Hit, Lady Shenton, Lady Harriet, Yunndaga, Pericles, Warrior and Bellenger deposits.

Turner continued: "We have finished interpreting the detailed aero-magnetics survey that was completed in late 2019 and now we've got a very good handle on the structural settings - there's potentially undiscovered gold in between all these pits."

The company recently updated the mineral resource estimate for the Skirk prospect and Lady Harriet-Bellenger-Warrior system, which saw the latter increase by 35% since the previous estimate in March 2016.

The project's near-surface mineral resource estimate now totals 233,000 ounces, with the combined Menzies-Goongarrie total sitting at 258,336 ounces.

Exploration Target	System	Tonnage Range*	Grade Range*
<i>Princess May Lode Depth Extension</i>	Yunndaga	194,000t - 388,800t	10g/t Au - 16g/t Au
<i>Lady Shenton Lode Depth Extension</i>	Lady Shenton	121,500t - 182,250t	16g/t Au - 32g/t Au
<i>First Hit Lodes Depth Extension</i>	First Hit	72,900t - 145,800t	16g/t Au - 32g/t Au
Total =		388,800t - 716,050t	13g/t Au - 23g/t Au

Potential to be "second high-grade grade gold mine"

Turner said that if the company could prove up resources at Menzies similar to the historical production of 650,000 ounces at 22.5 g/t gold (between 1895 and 1943), it would make it the second-highest grade gold mine in Australia, behind Fosterville in Victoria.

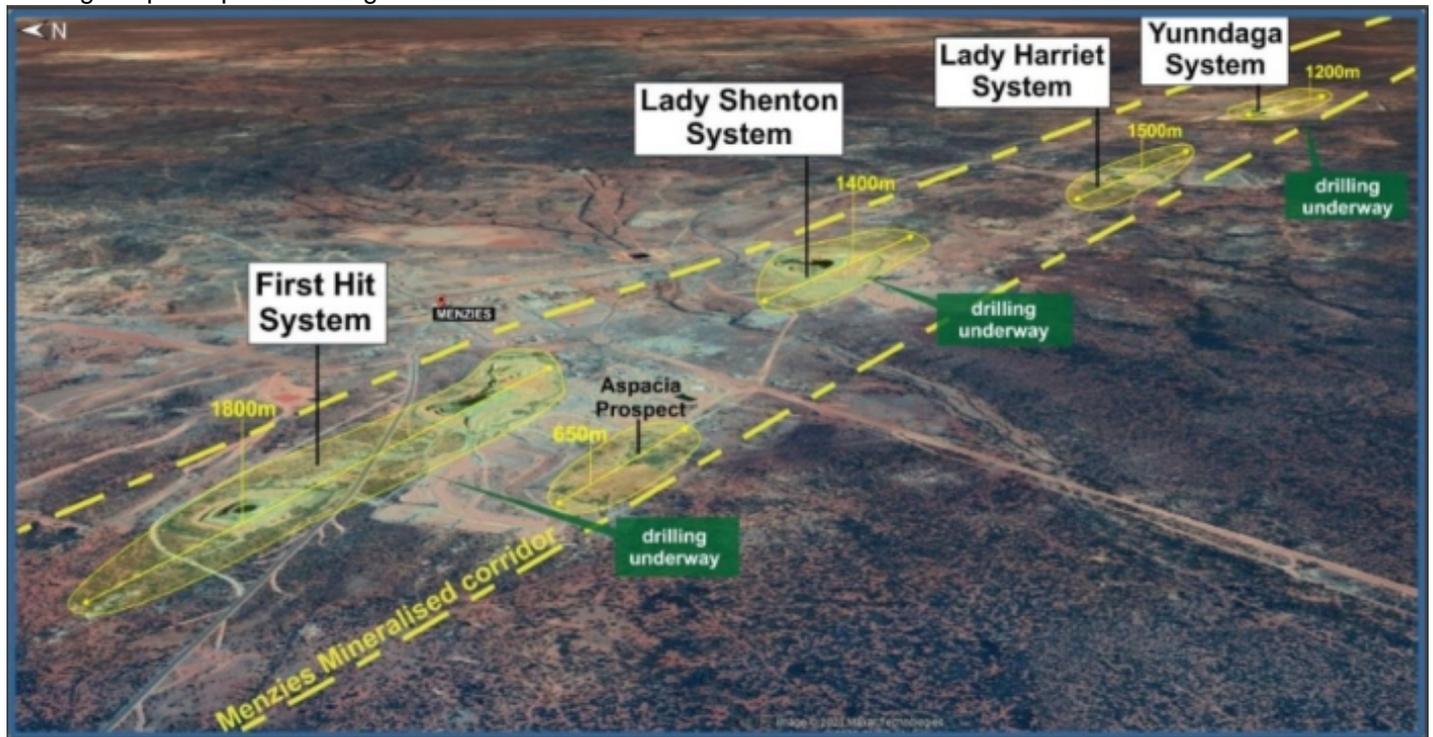
"We've already increased the resource from 200,000 ounces to more than 250,000 in the last six months.

"There are multiple deposits and separate high-grade shoots which were mined historically and six or seven small open-cut mines which were all done in the 1990s.

"The high-grade mineralisation goes down to at least 600 vertical metres at one of the deposits - which is encouraging so we are going back and testing underneath some of the other shoots.

"So far we have only done a limited amount of drilling, but we know there is still mineralisation there."

Testing deeper exploration targets



The main mineralised systems at MGP and planned drilling locations

Kingwest started its 8,300-metre drilling program at the MGP on March 4, which comprises 3,4000 metres of reverse circulation (RC) drilling and 4,700 metres of diamond drilling.

This initial drilling program, anticipated to finish in late May, is focusing on testing deeper exploration targets as well as near-surface mineralisation.

These targets include the continuation of high-grade gold mineralisation below historical underground workings at three of the project's larger gold deposits - Princess May, Lady Shenton and First Hit.

Kingwest recently completed 14 pre-collars at the project and diamond drilling is now underway.

Goongarrie Gold Project

As well as the MGP, the company owns the Goongarrie project around 40 kilometres south of Menzies with a resource of 25,000 ounces.

"About half of that will go into reserves and be mined, so we are doing studies now on that to figure out what the economics are, but it looks positive and we will have some news on that soon."

Goongarrie is at the northern end of the Bardoc Tectonic Zone (BDZ), a major greenstone belt between Kalgoorlie and

Menzies within the Kalgoorlie terrane of the Archaean Yilgarn Craton.

The tenements border the western edge of the BTZ with all deposits on or adjacent to a major north-north-west trending shear zones that continue to the Menzies project area.

Further south within the prospect area is Goongarrie Lady deposit which has a resource of 270,000 tonnes at 2.9 g/t gold for 23,900 ounces.

Turner continued: "We are in discussions with companies about Goongarrie Lady -we think we can commercialise that project basically in the short term, which would help finance all our ongoing work at Menzies.

"Hopefully we can reach a deal, it won't be in March but in the next quarter."

Another priority for the company remains the divestment of its founding assets in Leonora, which Turner said, "is more grassroots".

"We need to remain focused on Menzies and Goongarrie as it is more than enough ground for a junior company."

Market outlook

While the state of the market remains uncertain due to the COVID-19 pandemic, Turner said the company was in a good position financially.

"If we prove up resources, I think we will get good backing from investors.

"They want to see that rather than just good drilling results."

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Contact us +61 (0)2 9280 0700 action@proactiveinvestors.com.au

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