

Kingwest Resources Ltd

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Kingwest Resources trades higher after returning highest grades yet at Menzies Gold Project

Kingwest Resources Ltd (ASX:KWR) has returned 3 metres at 158.4 g/t gold from 180 metres in drilling at Menzies Gold Project (MGP), which represents the highest-grade intersections since the project was acquired in September 2019.

Within this intersection below underground workings at the First Hit deposit was 2 metres at 237.5 g/t, also from 180 metres.

The results come from reverse circulation pre-collar and shallow target drilling at the MGP, which is 130 kilometres north of Kalgoorlie.

Intersection "hard to beat"

Chief executive officer Ed Turner said: "These results are very pleasing and ratify our belief that the high-grade ore zones continue at First Hit and Lady Shenton and throughout the MGP."

"We were expecting something exceptional if we drilled enough holes in the right areas and 3 metres at 158.4 g/t gold is hard to beat, and it is within one of our high-grade exploration targets that we announced only last month."

Shares higher

Shares in the company have been up almost 20% today to an intra-day high of 15.5 cents, up from 7.8 cents at close on March 19.

The drilling consisted of 14 RC pre-collars and 10 RC drill-holes for 3,402 metres.

The focus was on three exploration target areas within the MGP - the First Hit, Lady Shenton and Yunndaga deposits.

Price: 0.15

Market Cap: \$18.29 m

1 Year Share Price Graph



Share Information

Code: KWR

Listing: ASX

52 week High Low
0.375 0.073

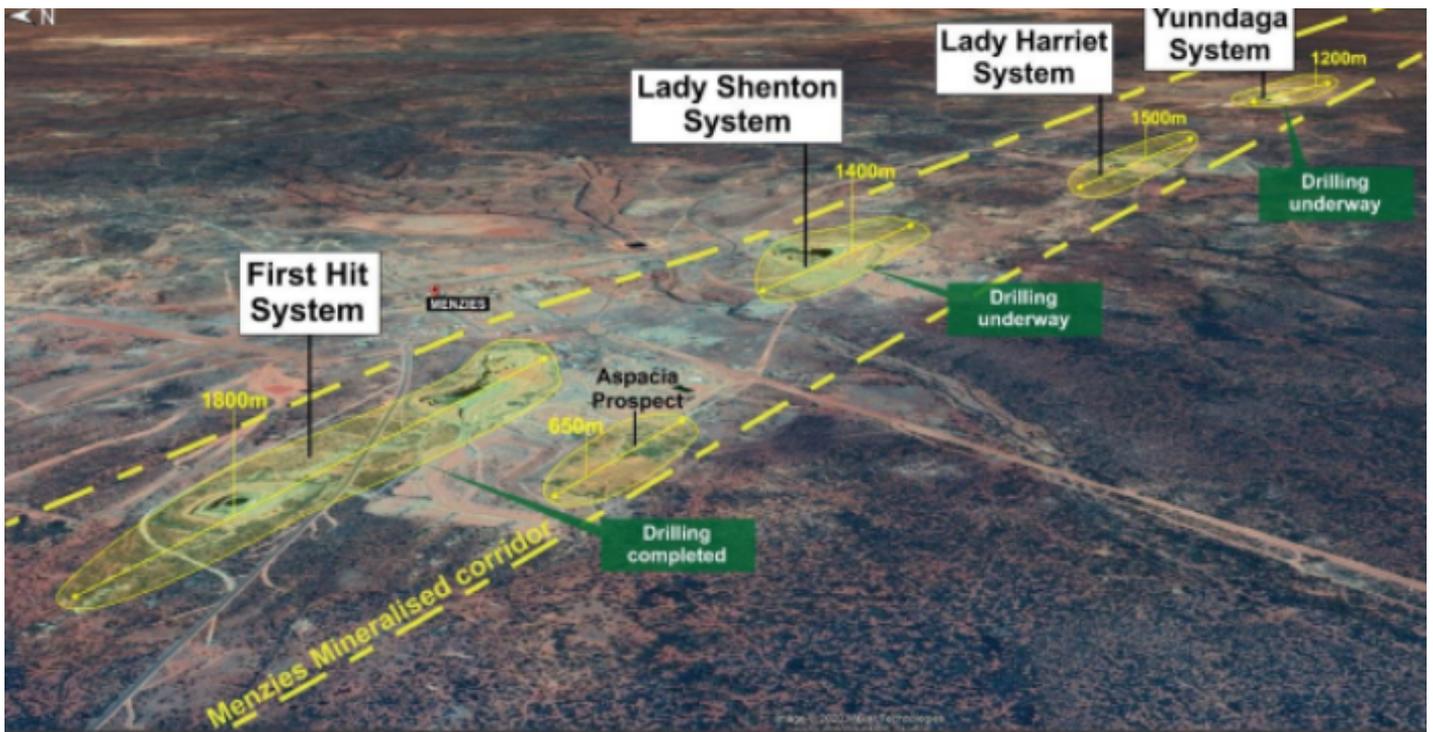
Sector: Gold & silver

Website: www.kingwestresources.com.au

Company Synopsis:

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

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MGP main mineralised systems and planned drilling locations for the current program.

Historical First Hit workings

At First Hit, the four RC holes completed are the first holes to be drilled beneath the historical underground workings and Kingwest is confident the extremely high grades prove the potential for further depth extensions.

Historically the deposits have produced 164,000 ounces of gold at 32.5 g/t at First Hit, 191,000 ounces at 32.3 g/t at Lady Shenton and 270,000 ounces at 16 g/t at Yundaga.

Turner said: "The preliminary diamond drilling campaign in late 2019, detailed reinterpretation of the geology and detailed airborne geophysical surveying has allowed us to better define controls of high-grade mineralisation at Menzies.

"At the First Hit gold deposit, continuation of the high-grade gold mineralisation historically exploited from the First Hit underground mine was shallow enough for RC drilling to test depth extents efficiently in this program.

"Historically, the underground workings at the First Hit Gold Deposit collectively produced 164,138 ounces of gold at an extraordinary 32.5 g/t gold."

New lode discovered

Drilling success at Lady Shenton was above expectations as these holes were not targeting shallow lodes specifically although several pre-collars at Lady Shenton were expected to cross through the position of the interpreted Stirling Lode.

Recently completed drilling confirmed the potential of the Stirling Lode, with results of 5 metres at 13.1 g/t from 32 metres including 1-metre at 58.6 g/t from 32 metres and 1-metre at 9.4 g/t from 44 metres.

High-grade intersections in two other drill holes appear to have discovered another new lode further to the west of the Stirling lode.

These include 3 metres at 7.2 g/t from 47 metres including 1-metre at 13.4 g/t from 47 metres and 2 metres at 6.5 g/t from 74 metres including 1-metre at 9.5 g/t from 74 metres.

Kingwest believes this again highlights the excellent exploration potential within the MGP outside of the main exploration targets associated with known historic producers.

Diamond drilling ongoing

Diamond drilling for deeper high-grade targets has now started and is ongoing for the 14 pre-collars.

These holes focus on Lady Shenton and Yunndaga, with First Hit only tested with RC drill-holes.

The diamond core program is anticipated to be completed in 6-7 weeks.

Turner said: "The KWR drilling has now proven that high-grade gold continues beneath the historic workings and diamond drilling is underway at Lady Shenton and will then move to Yunndaga, both large, historically high-grade producers.

"Our aim to test for the potential to delineate similar resources should be very exciting for our shareholders."

Sale of non-core exploration tenure

As Kingwest increases effort at the MGP and delivers strong results, it has sold some of its exploration tenure around Leonora, including the Emperor Project and King of the West Project, for cash consideration of \$100,000.

The company has also disposed of the remaining tenement at the Emperor Project for \$250,000 with \$50,000 received as part payment and the balance due in late May 2020.

These tenements were acquired by Darlot Mining Pty Ltd, a wholly-owned subsidiary of Red 5 Limited (ASX:RED).

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