

10 August 2020

Kingwest Sells Non-Core assets for \$2.1M

HIGHLIGHTS

- Kingwest has agreed sale terms for two small non-core assets outside the Menzies Gold Project
- These were Mining Lease (M29/420) for \$1.9M (Goongarrie Lady) and (M37/1202, E37/893 and P37/8901) for \$190,000 (Crawford's and Gambier Lass North) near Leonora
- Kingwest will use these funds to expedite exploration and development activities at Menzies and Goongarrie Gold Projects

Kingwest Resources Limited ("Kingwest" or "KWR") is pleased to announce agreed sale terms for these non-core assets, with the funds enabling exploration and development drilling at Menzies and Greenfields exploration at Goongarrie to be expedited.

Mineral Resources at the Menzies Gold project (MGP) and the Goongarrie Gold Project (GGP) were recently increased to 345,000 oz @ 2.1g/t Au⁴. Within this Goongarrie Lady has a small mineral resource totalling 25,000 oz @ 2.86 g/t Au¹. This resource represents approximately 7% of Kingwest's total mineral resources and M29/420 represents approx. 1.5 % of the land area of the Goongarrie Gold Project (GGP). Kingwest is focussed on exploration potential under the salt lake at GGP which covers the majority of the tenements held by KWR (ASX release 28 July 2020).

The GGP is Kingwest's second major project after Menzies, which is at a more advanced stage of exploration and development. Funds will be used to further advance exploration and development programs at Menzies and Goongarrie.

The Crawford's and Gambier Lass North sale finalises the disposal of the Leonora Project tenements.

Kingwest Resources Ltd

ASX: KWR

Shares on Issue
121,905,376

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Goongarrie Lady Sale Key Terms

Mining Lease M29/420 and miscellaneous licence L29/109 and related mining information and approvals have been agreed to be sold to Resource Mining Pty Ltd, who are not a related party on an arm's length basis, under the following terms.

- Cash payment of \$1.9M plus GST.
- Royalty payments to KWR of \$20/oz plus GST uncapped production royalty on gold troy ounces produced after the initial 15koz of production from those tenements.
- KWR to retain 14 day first right of refusal on future sale of the assets.
- Resource Mining Pty Ltd to have 14 day first right of refusal on future sale of the royalty.
- Industry standard conditions to completion of the sale, all of which are expected to be satisfied expeditiously.

Figure 1 shows the major targets of Kingwest's gold exploration at Goongarrie and the Goongarrie Lady Mining Lease.

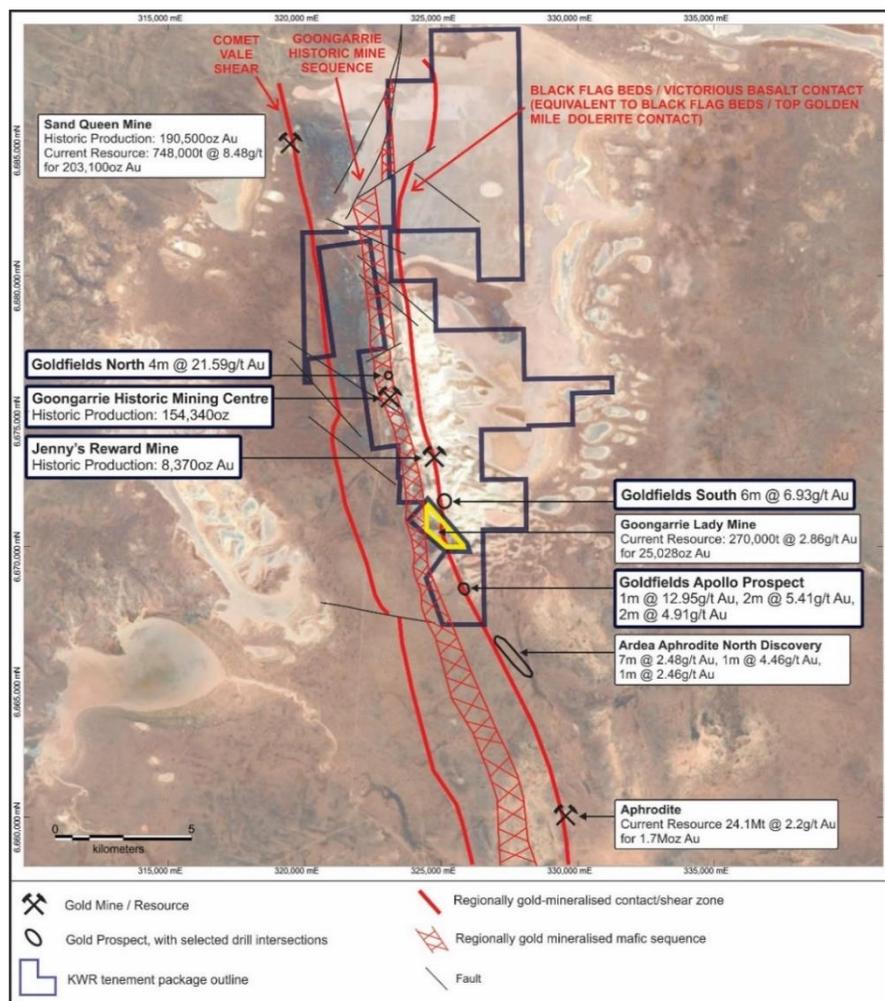


Figure 1: The Goongarrie Project Area and Current Exploration Targets with the Goongarrie Lady Mining Lease in yellow⁵.

Crawford's and Gambier Lass North Sale Key Terms

M37/1202, E37/893 and P37/8901 have been sold to Specrez Pty Ltd, who are not a related party on an arm's length basis, under the following terms.

- \$190,000 cash plus GST consisting of \$10,000 deposit and \$180,000 on completion.
- 1.75% Net Smelter Return (NSR) Royalty for all production from M37/1202.

ABOUT THE MGP and GGP

Menzies is one of Western Australia's major historic gold fields. Located 130km north of the globally significant gold deposits of Kalgoorlie (Figure 2). The MGP covers a contiguous land package over a strike length in excess of 15km. Within the MGP a series of structurally controlled high-grade gold deposits have been historically mined and display extensive exploration potential for high-grade extensions. Modern exploration since closure over 20 years ago has been limited.

The MGP has recorded historical production of **643,200 oz @ 22.5g/t Au¹** from underground (U/G) between 1895 and 1943 plus **145,000 oz @ 2.6g/t Au¹** open cut between 1995 and 1999, for a total of **787,200 oz @ 18.9g/t¹ Au**.

The MGP is hosted along the Menzies Shear Zone. All deposits lie within granted Mining Leases and are 100% owned by KWR. **Current mineral resources total 320,000 oz @ 2.1g/t Au²** (Table 1).

Importantly the MGP lies on the Goldfields Highway, has power and water and is within trucking distance of numerous Gold Processing Plants.

The GGP is located approximately 40km south of KWR's Menzies Gold Project (MGP) and 90km north of Kalgoorlie (Figure 2).

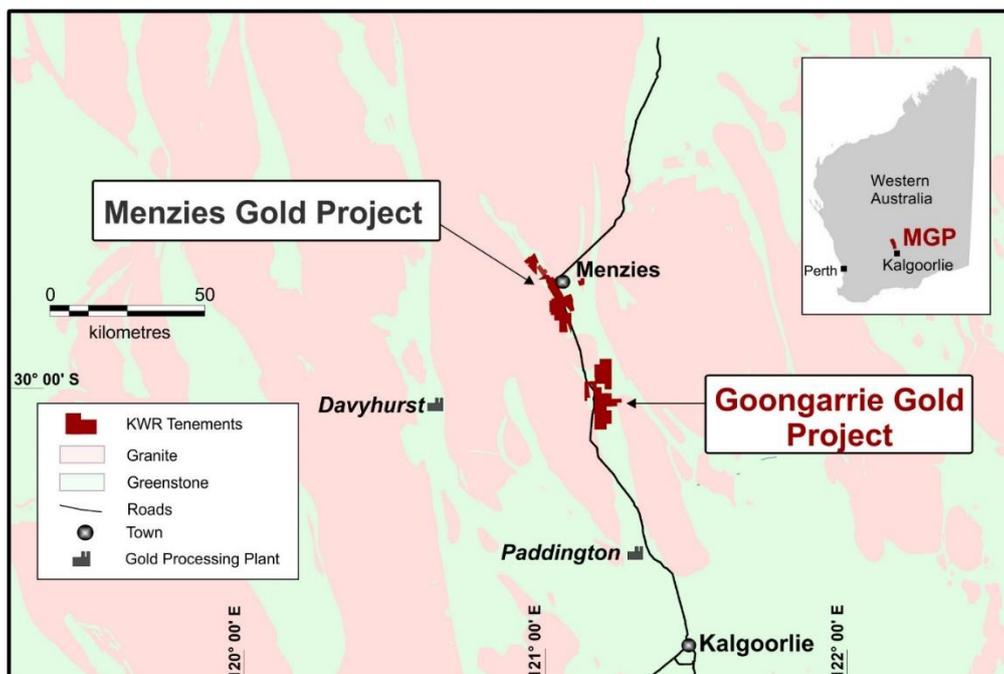


Figure 2: MGP and GGP locations.

The GGP is a contiguous land package covering approximately 125 square km over a strike length in excess of 25km. Within the GGP a series of structurally controlled high-grade gold deposits have been historically mined and these display extensive exploration potential for high-grade extensions. Modern exploration since closure of the mines over 20 years ago has been limited.

The GGP sits within the Bardoc Tectonic Zone (BTZ) which extends south to Kalgoorlie and north to Menzies. All resources lie within granted Mining Leases and are 100% owned by KWR.

Importantly the GGP lies only 75km north of Kalgoorlie on the Goldfields Highway and is within trucking distance of numerous Gold Processing Plants.

Table 1: Kingwest Mineral Resource Estimates July 2020.

MENZIES PROJECT									
Deposit	Indicated Resource			Inferred Resource			Total Resource		
(>1g/t Au)	Mt	Au (g/t)	Oz	Mt	Au (g/t)	Oz	Mt	Au (g/t)	Oz
Yunndaga Shallow¹				1.58	2.00	103,000	1.58	2.03	103,000
Lady Shenton Shallow²				0.79	2.60	64,700	0.79	2.55	64,700
Stirling²				0.31	2.20	21,900	0.31	2.17	21,900
Pericles³	0.63	1.80	35,800	0.78	1.70	43,700	1.40	1.80	79,500
Lady Harriet-Bellenger⁴	0.30	1.80	17,400	0.18	2.10	11,500	0.48	1.90	28,900
Selkirk⁴				0.09	4.50	12,600	0.09	4.50	12,600
Warrior⁴				0.13	2.30	9,300	0.13	2.30	9,300
TOTAL	0.93	1.80	53,200	3.86	2.15	266,800	4.78	2.08	319,900

-Ends-

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

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Forward-Looking Statements

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

Competent Person Statement

The information in this report that relates to Exploration results is based on information compiled by Mr Laurence Kirk who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Kirk is a consultant Geologist to Kingwest Resources Limited. Mr Kirk has sufficient experience that is relevant to the style of mineralisation, type of deposit under consideration and to the activity that they are undertaking to qualify as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results and consents to the inclusion in this report of the matters based on their information in the form and context in which they appear.

The information in this report that relates to Mineral Resources for the Lady Shenton, Pericles, Stirling, Lady Harriet-Bellinger and Warrior Deposits is based on information compiled by Mr Don Maclean who is a Member of the Australian Institute of Geoscientists and Registered Professional Geologist (Exploration and Mining). Mr Maclean is a consultant Geologist to Kingwest Resources Limited. Mr Maclean has sufficient experience that is relevant to the style of mineralisation, type of deposit under consideration and to the activity that they are undertaking to qualify as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results and consents to the inclusion in this report of the matters based on their information in the form and context in which they appear.

The information in this report that relates to Mineral Resources for the Yunndaga and Goongarrie Lady Deposits is based on information compiled by Mr Simon Coxhell. Mr Coxhell is a Member of the Australasian Institute of Mining and Metallurgy. Mr Coxhell was a consultant to Intermin Resources Limited. Some information was prepared and first disclosed under the JORC Code 2004. It has not been updated since (unless indicated) to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported. The remaining exploration results and all of the information relating to resource estimates comply with JORC Code 2012. Mr Coxhell has sufficient experience that is relevant to the style of mineralisation, type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration, Results, Mineral Resource and Ore Reserve's. Mr Coxhell consents to the inclusion in this report of the matters based on their information in the form and context in which they appear.

References

- ¹ As announced to the ASX on 9 July 2019 (ASX: KWR)
- ² As announced to the ASX on 23 July 2020 (ASX: KWR)
- ³ As announced to the ASX on 14 February 2020 (ASX: KWR)
- ⁴ As announced to the ASX on 16 March 2020 (ASX: KWR)
- ⁵ As announced to the ASX on 28 July 2020 (ASX: KWR)