

## Stock Commentary

### **Subject: Kingwest Resources Limited**

### **Resource Increase : Menzies Gold Project Now 475,100oz**

### **High Grade Underground Resource Defined for First Time at Yunndaga to Allow Commercial Exploitation Studies to Occur with Potential Prospective Operators**

#### **Background**

Kingwest Resources Limited (ASX:KWR) reported on 6<sup>th</sup> September 2021 a Mineral Resource Estimate (MRE) increase at the Menzies Gold Project (MGP) in Western Australia to 475,100oz at a grade of 1.4gpt gold (0.5gpt cut).

The additional ounces have largely been generated by a new underground MRE located below the existing historical Yunndaga open cut and what was previously, a very small, March 2021 Yunndaga MRE.

The new Yunndaga MRE announced is 79,200oz grading 3.7gpt gold (2.0gpt cut) or at a cut of 3gpt, 57,000oz grading 4.6gpt.

The Company has also announced that it has completed drilling over the Lake Goongarrie salt pan, which has tested for the first time high priority litho-structural and geochemical targets with 5,638m of drilling. Samples have been despatched to the laboratories with KWR now awaiting results.

#### **Key Takeaway Points from this Announcement**

1. This recent overall MRE increase bodes very well for the Project which has now taken the total MRE from 446,200oz grading 1.3gpt (0.5gpt cut) to 475,100oz grading 1.4gpt (0.5gpt cut). Whilst this may at first glance seem like only a modest nominal increase, the proof is very much in the detail in that it is a very important one, now allowing the Company to undertake commercial underground exploitation studies and discussions on Yunndaga for potential near term production with prospective 3<sup>rd</sup> parties.
2. When we talk about *near term* production, we mean just that. What may not be clear to the market is that Yunndaga, located on a granted mining lease, with its intact historical pit ramp ending in fresh rock, could see gold production from selective underground mining and nearby toll treatment options within 6-9 months of a decision to mine.
3. Discussion of the announcement with the Company has also highlighted that KWR's geologists have strong belief that the Yunndaga high grade shoots remain open along strike and particularly at depth. There is evidence from historical mining and exploration that Yunndaga, a strong past production performer from high grade shoots, extends well below 400m from surface.
4. With a near term production opportunity, there is no need to completely *drill out* the Yunndaga deposit prior to production commencing, with opportunities to emplace drill buddies off a new decline to drill depth extension targets cost effectively from underground during production.
5. We are also very excited to learn from this announcement that the Company has successfully completed its current drilling campaign over the northern part of the Goongarrie Gold Project (GGP) over the Lake Goongarrie salt pan. The drilling testing several targets (A1,2,4 & 10 see figure 2) was lengthened from a planned 5,000m to 5,680m to which we are encouraged. The Company expects first assay results before the end of this month.

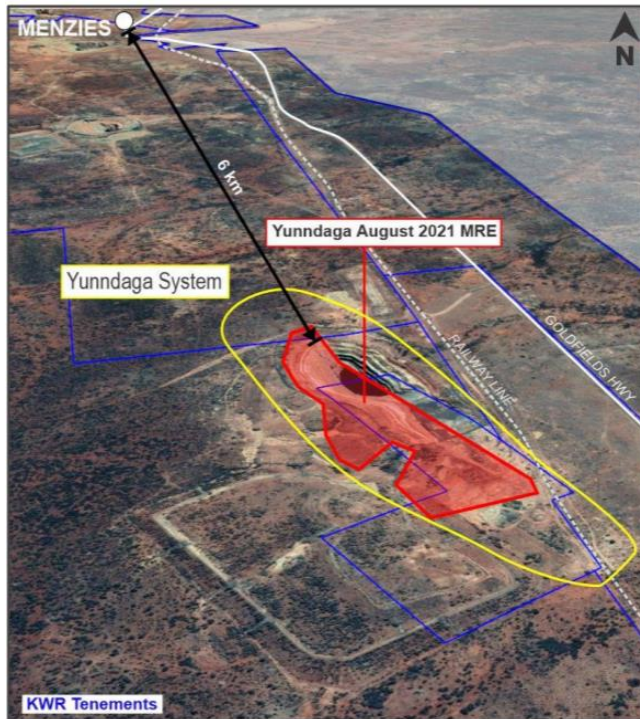


Fig 1 Above; Yunnada Open Pit, with new August 2021 MRE plotted

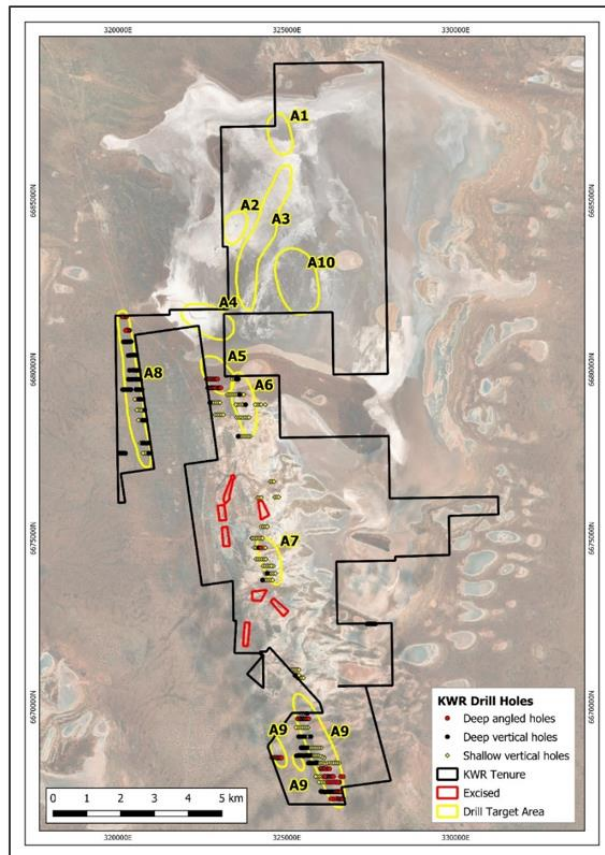


Fig 2 Above: Satellite image of KWR's Goongarrie tenements with recently drilled Targets marked

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