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Kingwest Resources Ltd

ASX: KWR

Shares on Issue
242,973,025

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Mining Agreement to Recommence Gold Production at Menzies

- Kingwest Resources and BML Ventures Pty Ltd enter into an agreement for open pit and any underground mining at the Selkirk Deposit within the Menzies Gold Project
- First step in unlocking the commercial potential of the greater Menzies Gold Project
- BML to cover all capital costs and be responsible for all mining and haulage. Processing arrangements are to be entered into with one of a number of third-party processing plants in the region
- Profits to be split KWR 50%: BML 50%
- Ongoing discussions in regard to the broader commercialisation of the Menzies Gold Project

Kingwest Resources Limited ("Kingwest" or "KWR") is pleased to announce it has entered into an agreement with BML Ventures Pty Limited ("BML") for the mining of the Selkirk Deposit (Figure 1). The Selkirk Deposit is a small, discrete gold project within M29/154 in the Menzies Gold Project with a Mineral Resource Estimate (MRE) of 11,500 oz @ 2.15g/t Au (0.5 g/t Au cut off)¹. The MRE remains open at depth.

Kingwest CEO Ed Turner commented that "We are very pleased to complete a mining agreement with BML. To recommence commercial mining at Menzies after more than 20 years since open cut mining finished is significant."

This is expected to be the first of a number of mining operations at Menzies and is expected to deliver attractive short and medium-term cash inflow to KWR. KWR will continue to focus on the very exciting potential we are seeing at Goongarrie as well as proving up new gold resources at Menzies over time. I am confident there remains many more ounces of gold to be discovered at both projects."

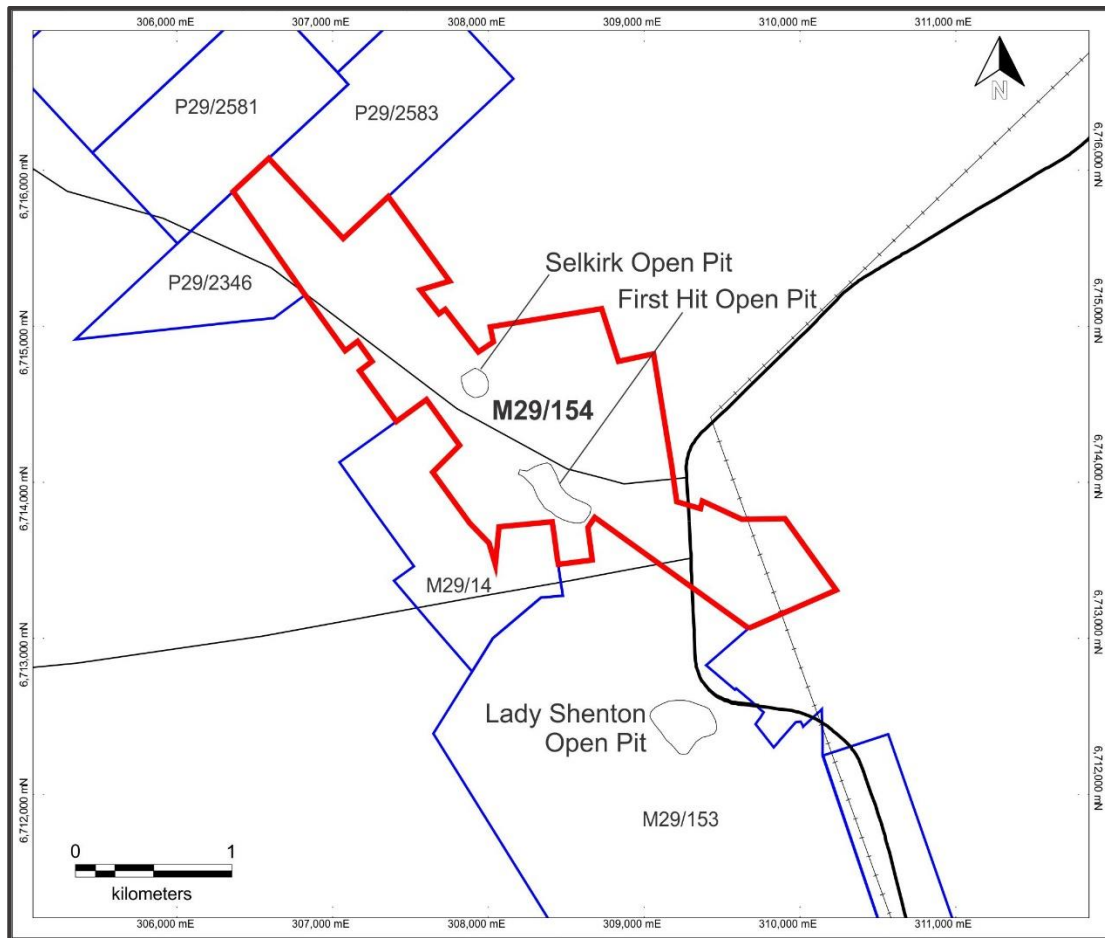


Figure 1: Location of the Selkirk MRE within M29/154

BML is a privately owned company based in Kalgoorlie and has a strong track record of funding, developing and operating open pit gold mines. With a strong technical focus, BML leverages its low-cost owner/operator mining fleet and its relationships with local toll treatment operators to maximise profitability from small to medium sized mining projects.

The material terms of the agreement with BML are as follows:

- KWR and BML have entered into an agreement for open pit and any underground mining at the Selkirk Deposit within the Menzies Gold Project.
- BML will cover all capital costs and be responsible for all mining and haulage. Processing arrangements are to be entered into with one of a number of third-party processing plants in the region.
- BML must give KWR its operating and financial budgets for mining the Selkirk Deposit and any variations to budget where the variation increases budgeted costs by more than 10%. KWR must approve the budget (including any variation) before BML proceeds to commence work.
- Net profits (ie. income from the sale of product minus costs reasonably incurred by BML in connection with mining the Selkirk Deposit) to be split KWR 50%: BML 50%.
- KWR will reimburse costs incurred by BML in evaluating the Selkirk Deposit if the agreement is terminated prior to the commencement of mining. Otherwise, such costs will be the responsibility of BML.

- The term of the agreement will continue until the earlier of: (a) final distribution of all profits generated from the sale of product from the Selkirk Deposit, (b) BML has not undertaken mining (or actively investigating the merits of mining) the Selkirk Deposit for a period of 4 months from the last activity or expenditure incurred by BML on the Selkirk Deposit (and either party elects to terminate), (c) mining of the Selkirk Deposit has not commenced within 18 months of the date of the agreement or (d) the agreement is otherwise terminated by a party for breach of a material provision by the other party.

ABOUT THE MENZIES GOLD PROJECT (MGP)

The **MGP** 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.

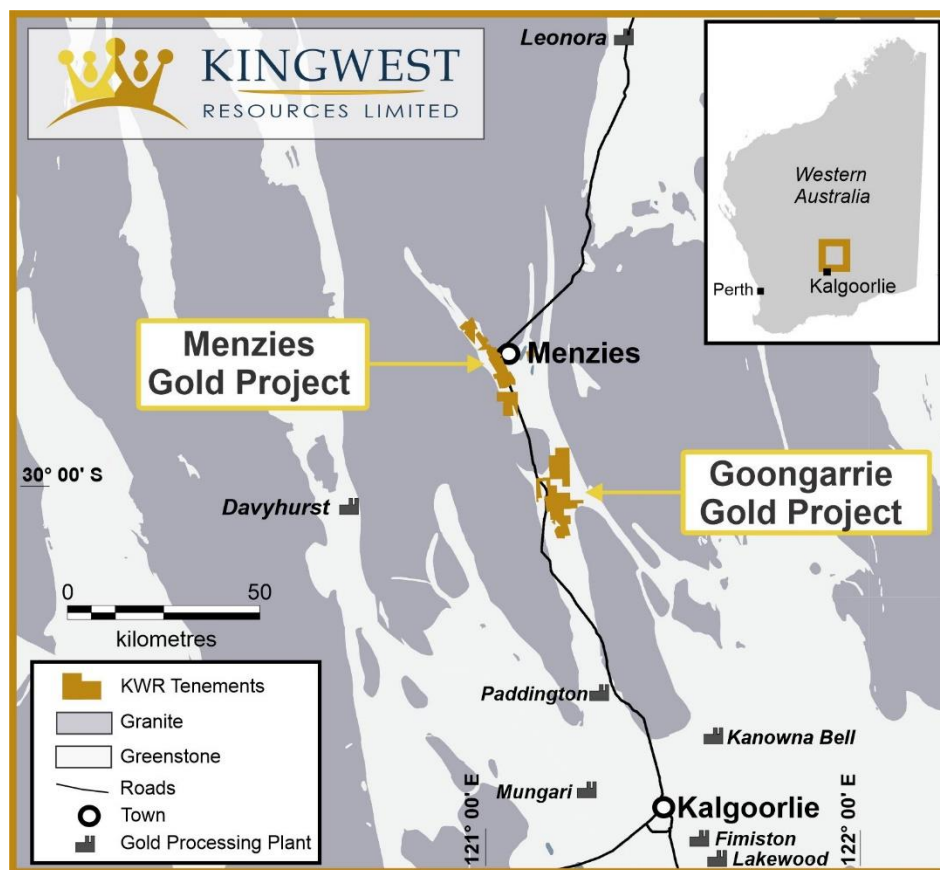


Figure 2: MGP location

The **MGP** has recorded historical production of **643,200 oz @ 22.5g/t Au²** from underground (U/G) between 1895 and 1943 plus **145,000 oz @ 2.6g/t Au²** open cut between 1995 and 1999, for a total of **787,200 oz @ 18.9g/t² Au**.

The MGP is hosted within the Menzies Shear Zone. All deposits lie within granted Mining Leases and are 100% owned by KWR (Figure 3). **Current JORC mineral resources total 505,100 oz @ 1.33 g/t Au¹** using a 0.5 g/t Au cut-off (Table 1).

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

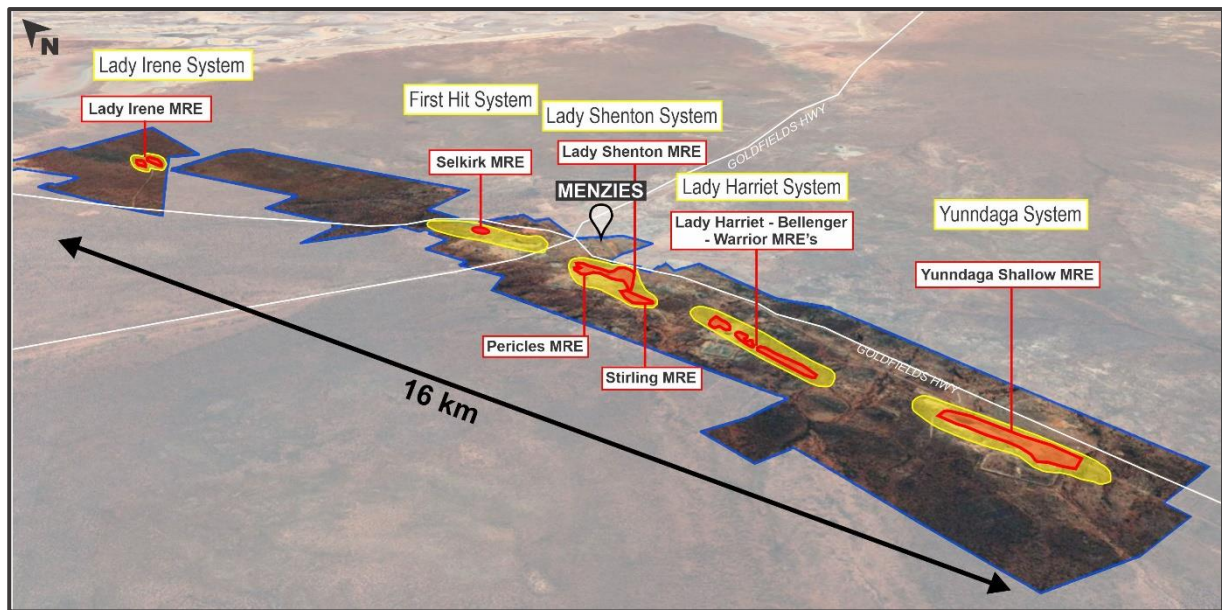


Figure 3: MGP aerial view showing the main mineralised systems as well as the MRE locations

Table 1: Menzies Project Mineral Resource Estimates, April 2022¹

Category	Indicated				Inferred			Total		
Deposit	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
Yunnadaga	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
Total		4.6	1.36	200,400	7.18	1.32	304,700	11.77	1.33	505,100

References

- ¹ As announced to the ASX on 26 April 2022 (ASX:KWR)
- ² As announced to the ASX on 9 July 2019 (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.

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 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.

-Ends-

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

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