



**KINGWEST**  
RESOURCES LIMITED

**ABN 58 624 972 185**

**Interim Financial Report**

**For the half-year ended 31 December 2022**

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## DIRECTORS' REPORT

The Directors present their report together with the financial report of Kingwest Resources Limited ("the Company") and its wholly owned subsidiaries (together referred hereafter as "the Group" or "the Consolidated Entity") for the half-year ended 31 December 2022 and the independent auditors' review report thereon.

The Directors of the Company at any time during or since the end of the half-year are:

Gregory Bittar	- Executive Chairman
Jonathan Downes	- Non-executive Director
Ashok Parekh	- Non-executive Director

### REVIEW OF OPERATIONS

During the second half of 2022 Kingwest Resources Limited (Kingwest) agreed to a strategic merger with Brightstar Resources Limited (Brightstar) via a Scheme of Arrangement under which Brightstar will acquire 100% of the shares in Kingwest. The merger was announced in December 2022 and is expected to be completed in Q2 2023.

Kingwest completed drill programs at both the Stirling and Pericles Deposits within the Menzies Gold Project and announced high grade subset resources of both deposits.

Kingwest also entered into an agreement with BML Ventures Pty Ltd (BML) for open pit mining at the Selkirk Deposit within the Menzies Gold Project. As part of the preparation for mining, BML completed an infill drilling program at Selkirk that returned several high grade gold intersections along with preparatory mine planning and metallurgical work.

### HIGHLIGHTS:

- Brightstar Resources and Kingwest Resources agree to a merger via a Kingwest Scheme of Arrangement under which Brightstar will acquire 100% of the shares in Kingwest;
- Kingwest Shareholders to receive 1 Brightstar share for every 0.44 shares held at the Scheme Record Date;
- The Scheme is unanimously recommended by the Board of Kingwest and each director of Kingwest intends to vote all Kingwest shares they control in favour of the Scheme, in the absence of a Superior Proposal, and subject to an Independent Expert opining that the Scheme is in the best interests of Kingwest Shareholders;
- Strategic consolidation of the gold assets of Brightstar and Kingwest to materially increase scale to the benefit of all shareholders and reduce timeline to potential production;
- Board & Management to be refreshed with Mr Alex Rovira to be appointed as Managing Director of Brightstar; Mr Dean Vallve (COO of Kingwest) to be COO of the Merged Group;
- Infill drilling program at the Stirling and Pericles Deposits at Menzies was completed returning high grade results;
- Updated resource calculations identified shallow high-grade subsets of the Pericles and Stirling deposits with 45,000 ounces at 5.2g/t identified within 100m of surface (ASX:KWR 13 December 2022);
- Selkirk Open Pit Cutback Mining Proposal and Mine Closure Plan approved, with JV Partner BML continuing to progress its drilling, testwork and operational planning for the Selkirk cutback. High grade drill results returned from Selkirk.

## DIRECTORS' REPORT

**MERGER WITH BRIGHTSTAR**

Brightstar and Kingwest have entered a binding Scheme Implementation Deed (SID), under which the two companies will merge by way of a recommended court-approved Scheme of Arrangement between Kingwest and its shareholders (Scheme) (ASX:KWR 23 December 2022).

On implementation of the Scheme, the merger of Kingwest and Brightstar (Merger) will combine two complementary Western Australian gold companies (Merged Group), leveraging Brightstar's processing infrastructure (currently on care and maintenance) to unlock the development potential of the Menzies Gold Project and the combined JORC Mineral Resource portfolio ~1Moz.

Under the terms of the Scheme, each Kingwest Shareholder will receive 1 Brightstar share for every 0.44 Kingwest shares held at the Scheme record date. If the Scheme is approved and implemented, shareholders of Brightstar and Kingwest will hold 57% and 43%, respectively in the Merged Group.

Separately, outstanding Kingwest options will be exchanged for new Brightstar options at the same 0.44 exchange ratio and on equivalent terms including an adjusted exercise price and the same maturity dates.

The Kingwest Board unanimously recommends that Kingwest Shareholders vote in favour of the Scheme, in the absence of a superior proposal and subject to an Independent Expert opining the Scheme is in the best interest of Kingwest Shareholders. Kingwest Directors intend to vote all the shares that they hold in Kingwest in favour of the Scheme, in the absence of a superior proposal.

**STRATEGIC RATIONALE AND MERGER HIGHLIGHTS**

- Strategically compelling transaction that rapidly advances both companies towards development:
  - ✓ Strategic consolidation of the gold assets of Brightstar and Kingwest immediately creates a company of scale that will attract investment from a wider audience.
  - ✓ Pro-forma JORC Mineral Resources of ~1Moz, all located on granted Mining Leases, is a material step change for both companies and enables the Merged Group to quickly assess development scenarios.
  - ✓ Brightstar's processing infrastructure (Laverton Processing Plant) currently on care and maintenance transforms the Merged Group into a potential near-term and importantly, low capex developer.
- Significant improvement in corporate capability and development appeal:
  - ✓ Mitigation of single asset development risk and sunk capital of the Laverton Processing Plant de-risks capital risks and financing requirements.
  - ✓ Increased scale of JORC Minerals Resources fast-tracks potential development scenarios.
  - ✓ Potential inorganic growth upside available to the Merged Group in assessing future consolidation opportunities of fragmented juniors in the Leonora-Laverton district.
  - ✓ Incoming Board and management team members aligned to the success of the Merged Group.

## DIRECTORS' REPORT

- Complimentary assets provide operational flexibility and opportunity:
  - ✓ Different ore sources in Merged Group provides optionality and will be assessed on potential production through the Laverton Processing Plant or accessing third-party mills in the district.
  - ✓ Combination of Mineral Resources adds scale and delivers critical mass for assessing production re-start opportunities at both projects.
  - ✓ Kingwest's Menzies deposits provide the potential for higher-grade ounces to blend with base load feed from Laverton, providing potential for stronger economics.
  - ✓ Significant organic exploration upside to be assessed through targeted exploration programs to continue to grow the combined Mineral Resources of the Merged Group.

## KEY BENEFITS TO BOTH SETS OF SHAREHOLDERS

- An immediate increase in the potential value of Kingwest and Brightstar's resources, particularly the near surface high grade mineralisation at Menzies, with the ability to access to Brightstar's processing infrastructure:
  - ✓ Access to the Laverton Processing Plant provides a potentially low capex development opportunity (significant savings on processing infrastructure) and likely higher margins than toll treatment/third party processing options for Menzies ore and the ability to blend with base load from Brightstar's Laverton resources.
- Immediate value realisation event at a premium for Kingwest shareholders:
  - ✓ Exchange ratio of 1 Brightstar share per 0.44 Kingwest shares represents an implied offer price of \$0.036 per share based on Brightstar's last close price (as at date of announcement of the Merger being 23 December 2022).
- Significant shareholding in an enlarged entity with material ongoing exposure to the Menzies Gold Project:
  - ✓ Kingwest Shareholders will hold a significant pro forma shareholding of 43% in the Merged Group.
  - ✓ The Merger provides an immediate transition from an explorer to developer, whilst retaining meaningful exposure to ongoing exploration success at the Menzies Gold Project.
  - ✓ Exposure to potential improved market rating and enhanced liquidity of the Merged Group.
  - ✓ Both sets of shareholders expected to benefit from increased scale of the market capitalisation and increased materiality in the ASX market for near term developers.

## DIRECTORS' REPORT

**INFILL DRILLING AT STIRLING AND PERICLES**

An infill drilling was conducted at the Menzies Gold Project in November and December 2022 (ASX:KWR 13 December 2022). The RC programme was planned to infill drill both the Stirling and Pericles Deposits to increase the confidence in grade and mineralisation continuity. High grade results from the program included:

**Stirling**

- KWR315: **1m @ 108 g/t Au** from 36m
- KWR316: **5m @ 8.49 g/t Au** from 42m including **1m @ 36.69 g/t Au** from 42m
- KWR329: **1m @ 10.0 g/t Au** from 66m
- KWR312A: **4m @ 5.70 g/t Au** from 29m including **1m @ 21.58 g/t Au** from 32m
- KWR312: **2m @ 9.05 g/t Au** from 32m including **1m @ 15.46 g/t Au** from 33m
- KWR320: **4m @ 3.06 g/t Au** from 46m including **1m @ 6.92 g/t Au** from 47m
- KWR311: **2m @ 6.4 g/t Au** from 53m

**Pericles**

- KWR331: **5m @ 10.11 g/t Au** from 47m including **3m @ 15.83 g/t Au** from 47
- KWR333: **6m @ 3.86 g/t Au** from 27m including **1m @ 17.59 g/t Au** from 27
- KWR335: **1m @ 8.83 g/t Au** from 32
- KWR330: **1m @ 5.8 g/t Au** from 47m
- KWR334: **1m @ 5.7 g/t Au** from 47m
- KWR338 : **1m @ 14.29 g/t Au** from 18m
- KWR343 : **7m @ 5.92 g/t Au** from 32
- KWR346 : **1m @ 7.93 g/t Au** from 29m
- KWR347 : **1m @ 9.03 g/t Au** from 17m and **1m @ 10.25 g/t Au** from 25m

**A total of 52 RC holes (KWR307 – 345) totalling 2,276 metres were completed.** The infill drilling programme was largely designed to improve confidence in the grade and mineralisation continuity within possible pit outlines and to target high grade extensions. The holes were planned during high grade subset resource estimation work for both Stirling and Pericles which were being completed as the drilling commenced in November. The resource estimation work has also highlighted the opportunities for high grade extensions that have not been fully tested in this current drilling campaign.

**RESOURCE UPDATES**

High grade resource calculations conducted in the December Quarter identified shallow high-grade subsets of the Pericles and Stirling deposits with **45,000 ounces at 5.2g/t** (Table 1) identified within 100m of surface:

## DIRECTORS' REPORT

Table 1: Resources classification of the Pericles and Stirling high-grade resources

Type	Indicated			Inferred			Total		
	Tonnes	Au	Au	Tonnes	Au	Au	Tonnes	Au	Au
	T	g/t	Ounces	T	g/t	Ounces	T	g/t	Ounces
<b>Pericles - High Grade</b>	178,000	5.0	28,600	17,000	5.6	3,100	196,000	5.0	32,000
<b>Stirling - High Grade</b>	49,000	5.8	9,200	22,000	5.2	3,700	71,000	5.6	13,000
<b>Total</b>	227,000	5.2	37,800	39,000	5.4	6,800	267,000	5.2	45,000

\*Rounding discrepancies may occur

Further information about the high grade resource subsets is contained in the announcement released on 13 December 2022. Figures 1 – 4 show the high grade resource subsets of Pericles and Stirling in plan and section view.

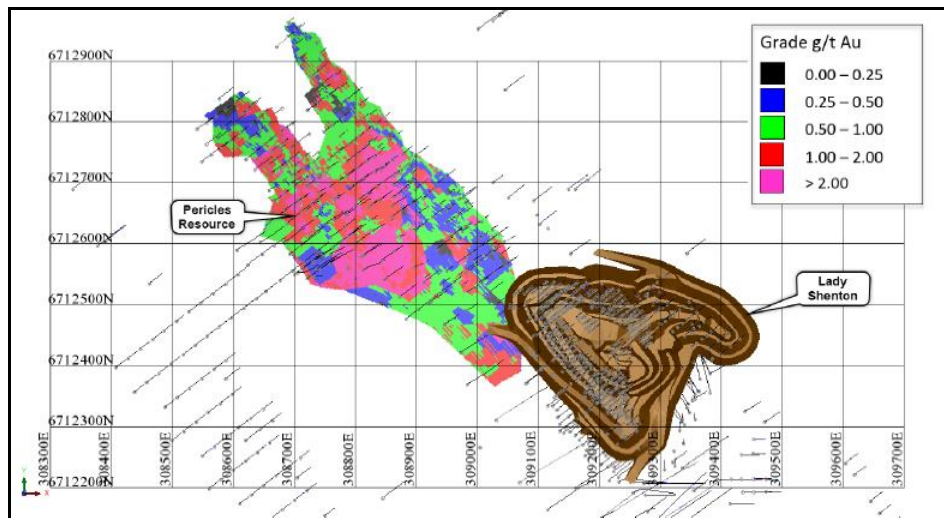


Figure 1: Plan view of the Pericles Resource

## DIRECTORS' REPORT

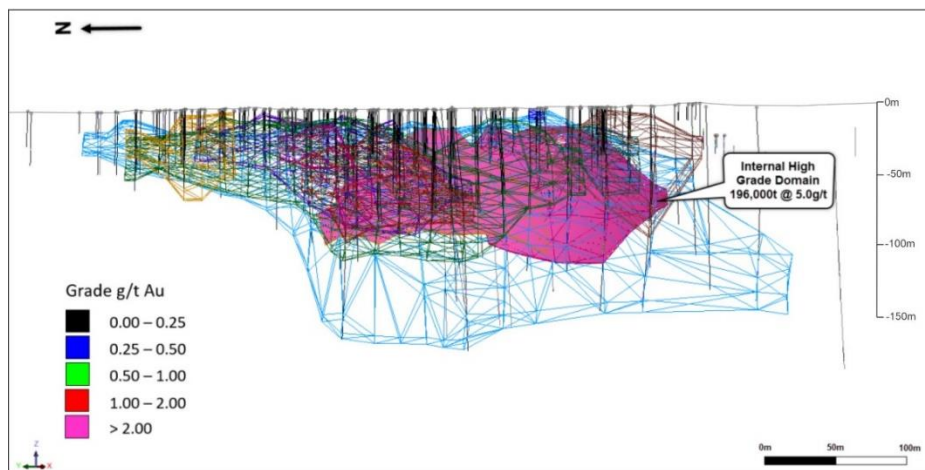


Figure 2: High grade domain in the Pericles resource coloured by gold grade, looking east

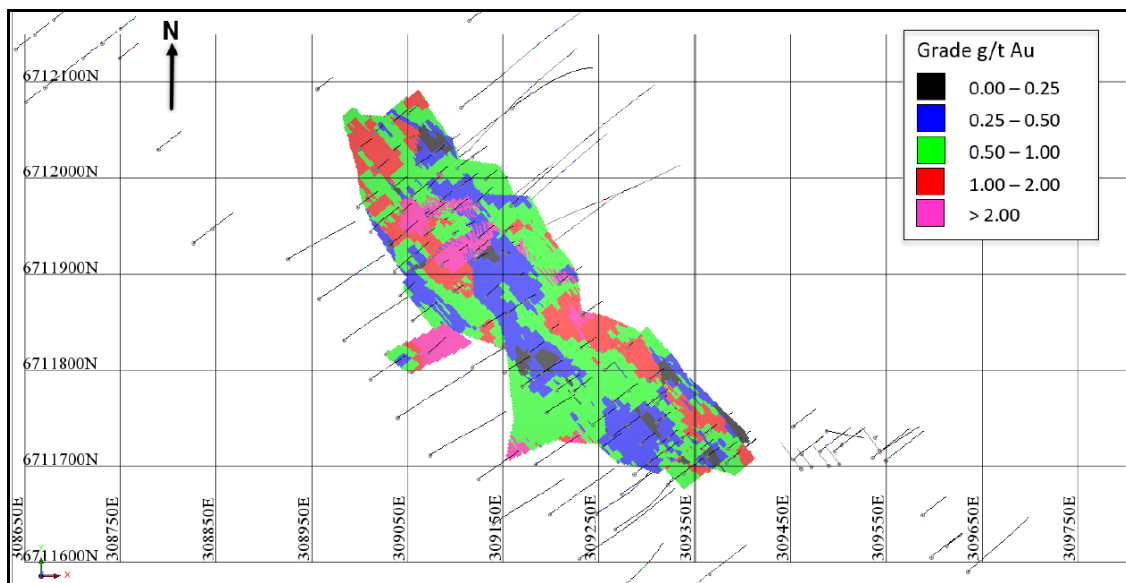


Figure 3: Plan view of the Stirling Resource



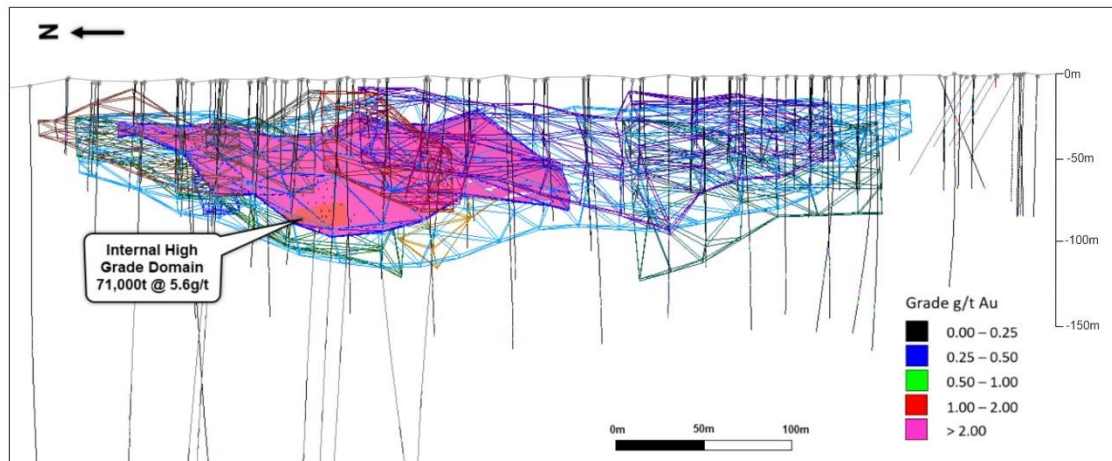


Figure 4: High grade domain in the Stirling resource coloured by gold grade, looking east

### SELKIRK MINING JOINT VENTURE

The Selkirk Cutback open pit Mining Proposal and Mine Closure Plan was approved by WA's Department of Mines, Industry Regulation and Safety. All environmental approvals are now in place for mining.

KWR's joint venture partner, BML Ventures Pty Limited (BML), continued to progress its drilling, testwork and planning for the Selkirk Cutback open pit; with mining fleet and plant availability expected to be finalised in the coming months ahead of a definitive decision and timetable to mine and process.

An infill drilling program was completed by BML at the Selkirk Deposit which further confirmed the high-grade nature of the gold mineralisation. The resource at Selkirk remains open at depth. The infill drilling was required prior to completing an updated MRE, an optimised pit shell and mine planning.

13 RC holes for 960m were drilled at Selkirk, full results were reported to the ASX on 5 September 2022. Mineralisation remains open at depth with several of these significant intersections near the base of the current resource. High grade intervals from this drilling program include:

- **6m @ 24.62 g/t Au** from 92m in 22SKRC017
- **3m @ 14.68 g/t Au** from 47m in 22SKRC008
- **2m @ 12.55 g/t Au** from 32m in 22SKRC001
- **2m @ 13.44 g/t Au** from 55m in 22SKRC012
- **3m @ 7.91 g/t Au** from 82m in 22SKRC016
- **1m @ 20.70 g/t Au** from 13m in 22SKRC012

### GOONGARRIE PROJECT

During the period the drilling campaign at Lake Goongarrie was completed with additional gold intersections announced including 1.09m @ 4.95 g/t Au from 169.86m (KGD008) and 5.0m @ 4.8 g/t Au from 113.3m (KGD004). However, in September 2022 the Company suspended completion of the 4,000m diamond core programme at Lake Goongarrie due to wet conditions impacting the efficiency of the drill program. Whilst the results received at Goongarrie had returned several high grade intersections and many low-grade intersections, the overall conditions meant many of the targets could not be tested. Since deciding to suspend drilling in September 2022, there has been no significant progress made to resume drilling at Goongarrie or commit future funds to an exploration program. As a result an impairment was recognised on the costs capitalised at the Goongarrie Project to date. The Company is currently considering its options for the Goongarrie Project in order to realise its maximum longer term value.

## DIRECTORS' REPORT

**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 or Ore Reserves 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.*

**RESULTS**

The loss for the half-year ended 31 December 2022 attributable to the Group was \$6,699,984 (2021: loss of \$760,666).

**CORPORATE**

As at 31 December 2022 the Group had \$2,221,606 in cash and cash equivalents and the Company had the following securities on issue:

- 281,726,818 fully paid ordinary shares;
- 22,512,500 unlisted options exercisable at \$0.15 on or before 30 December 2023;
- 6,250,000 unlisted options exercisable at \$0.17 on or before 15 September 2024;
- 8,000,000 unlisted options exercisable at \$0.20 on or before 21 October 2024;
- 1,700,000 Unlisted options exercisable at \$0.285 expiring 15 February 2025;
- 1,250,000 Unlisted options exercisable at \$0.25 expiring 28 April 2025;
- 19,376,834 Unlisted options exercisable at \$0.10 expiring 29 February 2024;
- 2,970,000 share appreciation rights with a strike price of \$0.28 expiring 7 October 2024; and
- 1,125,000 share appreciation rights with a strike price of \$0.18 expiring 15 September 2023.

**EVENTS SUBSEQUENT TO REPORTING DATE**

On 16 January 2023 the Company issued 1,250,000 unquoted options exercisable at \$0.06 and 1,500,000 unquoted options exercisable at \$0.10 with an expiry date of 16 January 2026. The options were issued to Dean Vallve on his commencement as Chief Operating Officer of the Company.

Other than the above, there are no events subsequent to the end of the period that would have had a material effect on the Group's financial statements at 31 December 2022.

#### AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration as required under section 307C of the Corporations Act 2001 forms part of the directors' report for the half-year ended 31 December 2022.

Signed in accordance with a resolution of the Directors, pursuant to section 306(3)(a) of the Corporations Act 2001.



Gregory Bittar  
**Executive Chairman**  
13 March 2023

**RSM Australia Partners**

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**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the review of the financial report of Kingwest Resources Limited for the half-year ended 31 December 2022, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

*Rsm*

RSM AUSTRALIA PARTNERS



AIK KONG TING  
Partner

Perth, WA  
Dated: 13 March 2023

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AUDIT | TAX | CONSULTING

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RSM Australia Partners ABN 36 965 185 036

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**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**

	Note	31 December 2022	31 December 2021
		\$	\$
Interest income		13,295	5,269
Royalty income		100,000	-
Other income		14,740	15,944
Compliance and regulatory expense		(125,294)	(137,844)
Corporate advisory and consulting fees		(42,692)	(77,882)
Depreciation expense		(23,178)	(25,928)
Employee benefits expense		(260,730)	(138,250)
Finance costs		-	(431)
Impairment of exploration & evaluation expenditure	2	(5,899,439)	-
Pre-acquisition exploration & evaluation expenditure		(9,076)	(19,112)
Share based payment expense	5	(320,248)	(256,477)
Travel and accommodation		(23,839)	(738)
Other expenses		(123,523)	(125,217)
<b>LOSS BEFORE INCOME TAX</b>		(6,699,984)	(760,666)
Income tax expense		-	-
<b>LOSS FOR THE PERIOD</b>		(6,699,984)	(760,666)
<b>Other Comprehensive Income / (Loss)</b>		-	-
<b>TOTAL COMPREHENSIVE LOSS FOR THE PERIOD</b>		(6,699,984)	(760,666)
Basic and diluted loss per share (cents)		(2.44)	(0.35)

*The consolidated statement of profit or loss and other comprehensive Income should be read in conjunction with the attached notes to the financial statements.*

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2022**

	Note	31 December 2022 \$	30 June 2022 \$
<b>Current Assets</b>			
Cash and cash equivalents		2,221,606	1,797,157
Trade and other receivables		128,890	164,827
<b>Total Current Assets</b>		<u>2,350,496</u>	<u>1,961,984</u>
<b>Non-Current Assets</b>			
Exploration and evaluation expenditure	2	17,025,588	21,516,834
Plant & equipment		190,248	214,770
<b>Total Non-Current Assets</b>		<u>17,215,836</u>	<u>21,731,604</u>
<b>Total Assets</b>		<u>19,566,332</u>	<u>23,693,588</u>
<b>Current Liabilities</b>			
Trade and other payables	3	359,895	470,146
Provisions		967	19,114
<b>Total Current Liabilities</b>		<u>360,862</u>	<u>489,260</u>
<b>Total Liabilities</b>		<u>360,862</u>	<u>489,260</u>
<b>Net Assets</b>		<u>19,205,470</u>	<u>23,204,328</u>
<b>Equity</b>			
Issued capital	4	33,129,883	30,749,005
Reserves	4	3,299,716	2,979,468
Accumulated losses		(17,224,129)	(10,524,145)
<b>Total Equity</b>		<u>19,205,470</u>	<u>23,204,328</u>

*The consolidated statement of financial position should be read in conjunction with the attached notes to the financial statements.*

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**

	Issued Capital	Accumulated Losses	Share based payment Reserve	Total Equity
	\$	\$	\$	\$
<b>Balance at 1 July 2021</b>	26,307,557	(8,747,753)	2,273,309	19,833,113
<b>Comprehensive income</b>				
Loss for the period	-	(760,666)	-	(760,666)
<b>Total comprehensive income for the period</b>	-	(760,666)	-	(760,666)
<b>Transactions with owners, in their capacity as owners</b>				
Shares issued	4,687,500	-	-	4,687,500
Share based payments	-	-	256,477	256,477
Share issue costs	(258,647)	-	-	(258,647)
<b>Total transactions with owners, in their capacity as owners</b>	4,428,853	-	256,477	4,685,330
<b>Balance at 31 December 2021</b>	30,736,410	(9,508,419)	2,529,786	23,757,777

	Issued Capital	Accumulated Losses	Share based payment Reserve	Total Equity
	\$	\$	\$	\$
<b>Balance at 1 July 2022</b>	30,749,005	(10,524,145)	2,979,468	23,204,328
<b>Comprehensive income</b>				
Loss for the period	-	(6,699,984)	-	(6,699,984)
<b>Total comprehensive income for the period</b>	-	(6,699,984)	-	(6,699,984)
<b>Transactions with owners, in their capacity as owners</b>				
Shares issued	2,519,000	-	-	2,519,000
Share based payments	-	-	320,248	320,248
Share issue costs	(138,122)	-	-	(138,122)
<b>Total transactions with owners, in their capacity as owners</b>	2,380,878	-	320,248	2,701,126
<b>Balance at 31 December 2022</b>	33,129,883	(17,224,129)	3,299,716	19,205,470

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**

	31 December 2022 \$	31 December 2021 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Payments to suppliers and employees	(524,704)	(553,948)
Interest paid	-	(431)
Interest received	13,295	5,269
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<b>(511,409)</b>	<b>(549,110)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Receipts from royalties	100,000	-
Payments for exploration expenditure	(1,545,020)	(2,359,490)
Payments for plant and equipment	-	(31,782)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(1,445,020)</b>	<b>(2,391,272)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of shares (net of costs)	2,380,878	4,427,603
Lease repayments	-	(19,550)
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>	<b>2,380,878</b>	<b>4,408,053</b>
Net increase in cash held	424,449	1,467,671
Cash at the beginning of the financial period	1,797,157	3,012,020
<b>CASH AT THE END OF THE FINANCIAL PERIOD</b>	<b>2,221,606</b>	<b>4,479,691</b>

*The consolidated statement of cash flows should be read in conjunction with the attached notes to the financial statements.*



## 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

### BASIS OF PREPARATION

The half-year consolidated financial statements are a general-purpose financial report which has been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*.

The consolidated half-year financial report does not include all of the information required for a full annual financial report. The half-year financial report is to be read in conjunction with the most recent annual financial report for the year ended 30 June 2022. This report must also be read in conjunction with any public announcements made by Kingwest Resources Limited and its controlled entities during the half-year.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of certain non-current assets, financial assets and financial liabilities.

The financial statements are presented in Australian dollars which is the Company's functional and presentation currency.

These interim financial statements were authorised for issue on 13 March 2023.

### (B) USE OF ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

### (C) ACCOUNTING POLICIES

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements, except for the policies stated below.

### (D) NEW AND REVISED STANDARDS AND AMENDMENTS THEREOF AND INTERPRETATIONS EFFECTIVE FOR THE CURRENT HALF-YEAR THAT ARE RELEVANT TO THE CONSOLIDATED ENTITY

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have a significant impact on the consolidated entity.

## 2. EXPLORATION AND EVALUATION EXPENDITURE

	31 December 2022 \$	30 June 2022 \$
<b>Exploration and evaluation assets</b>		
Balance at the beginning of period	21,516,834	17,362,712
Exploration costs capitalised	1,408,193	4,154,122
Impairment expense <sup>1</sup>	(5,899,439)	-
Balance at the end of reporting period	<u>17,025,588</u>	<u>21,516,834</u>

<sup>1</sup> Impairment expense recognised during the period is for the exploration and valuation expenditure previously recognised on the tenements that form part of the Goongarrie Project.

The ultimate recoupment of balances carried forward in relation to areas of interest still in the exploration or valuation phase is dependent on successful development, and commercial exploitation, or alternatively sale of the respective areas. The Company conducts impairment testing on an annual basis when indicators of impairment are present at the reporting date.

## 3. TRADE AND OTHER PAYABLES

	31 December 2022 \$	30 June 2022 \$
<b>Current</b>		
Trade creditors	148,744	82,855
Accruals	211,151	387,291
Balance at the end of reporting period	<u>359,895</u>	<u>470,146</u>

## 4. ISSUED CAPITAL &amp; RESERVES

	31 December 2022 \$	30 June 2022 \$
Issued capital	(a) 33,129,883	30,749,005
Share based payment reserve	(b) <u>3,299,716</u>	<u>2,979,468</u>

## (a) Reconciliation of movement during the period:

	Shares	\$
Opening balance	242,973,025	30,749,005
Share Purchase Plan – August 2022	38,753,793	2,519,000
Costs of share issue	-	(138,122)
	<u>281,726,818</u>	<u>33,129,883</u>

## 4. ISSUED CAPITAL &amp; RESERVES (CONTINUED)

## (b) Movement in share-based payment reserve

	31 December 2022
	\$
Opening balance	2,979,468
Options expense	313,732
Performance rights expense	6,516
Closing Balance	<u>3,299,716</u>

## (c) Outstanding Unlisted Securities

As at 31 December 2022 the company had the following unlisted securities outstanding:

Expiry Date and Price	Type	Number
Options Expiring 30/12/2023 @ \$0.15	Unlisted Option	22,512,500
Options Expiring 15/09/2024 @ \$0.17	Unlisted Option	6,250,000
Options Expiring 21/10/2024 @ \$0.20	Unlisted Option	8,000,000
Options Expiring 15/02/2025 @ \$0.285	Unlisted Option	1,700,000
Options Expiring 28/04/2025 @ \$0.25	Unlisted Option	1,250,000
Options Expiring 29/02/2024 @ \$0.10	Unlisted Option	19,376,834
Share Appreciation Rights Expiring 7/10/2024 @ \$0.28 Strike Price	Performance Rights	2,970,000
Share Appreciation Rights Expiring 15/09/2023 @ \$0.18 Strike Price	Performance Rights	1,125,000

## 5. SHARE BASED PAYMENTS

There were the following share based payments during the period:

	31 December 2022 \$	31 December 2021 \$
<b>Unlisted Securities</b>		
8,000,000 options issued to joint lead managers of the Placement – issued October 2021	123,754	62,636
6,250,000 options issued to employees and consultants – issued September 2021	139,688	80,472
2,000,000 options issued to a Director – issued August 2021	-	53,200
1,700,000 options issued to employees – issued February 2022	50,290	-
1,125,000 share appreciation rights issued pursuant to the Performance Rights Plan – issued September 2020	6,516	28,228
2,970,000 share appreciation rights issued pursuant to the Performance Rights Plan – issued October & November 2019	-	31,941
	<u>320,248</u>	<u>256,477</u>

## 6. SEGMENT INFORMATION

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Consolidated Entity that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

The Consolidated Entity operates in one segment, being exploration for mineral resources. This is the basis on which internal reports are provided to the Directors for assessing performance and determining the allocation of resources within the Consolidated Entity. The Consolidated Entity only operates in Australia.

## 7. CONTINGENT ASSETS AND LIABILITIES

In the opinion of the directors, there were no other significant changes in contingent assets or liabilities during the period ended 31 December 2022.

## 8. COMMITMENTS

In the opinion of the directors, there were no significant changes in commitments during the period ended 31 December 2022.

## 9. EVENTS SUBSEQUENT TO REPORTING DATE

On 16 January 2023 the Company issued 1,250,000 unquoted options exercisable at \$0.06 and 1,500,000 unquoted options exercisable at \$0.10 with an expiry date of 16 January 2026. The options were issued to Dean Vallve on his commencement as Chief Operating Officer of the Company.

There are no other events subsequent to the end of the period that would have a material effect on the Group's financial statements at 31 December 2022.

## 10. DIVIDENDS

No dividend has been declared or paid during the half-year ended 31 December 2022. The Directors do not recommend the payment of a dividend in respect of the half-year ended 31 December 2022.

**In the opinion of the Directors of Kingwest Resources Limited:**

- (a) The attached financial statements and notes:
- (i) comply with Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Act 2001, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
  - (ii) give a true and fair view of the Consolidated Entity's financial position as at 31 December 2022 and of the Consolidated Entity's performance, for the half-year ended on that date.
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors made pursuant to section 303(5)(a) of the Corporations Act 2001.



Gregory Bittar  
Executive Chairman  
13 March 2023

## INDEPENDENT AUDITOR'S REVIEW REPORT

### To the Members of KINGWEST RESOURCES LIMITED

#### Report on the Half-Year Financial Report

##### Conclusion

We have reviewed the accompanying half-year financial report of Kingwest Resources Limited which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the Company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Kingwest Resources Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

##### Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of Kingwest Resources Limited in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Kingwest Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

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### *Directors' Responsibility for the Half-Year Financial Report*

The directors of Kingwest Resources Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility for the Review of the Financial Report*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2022 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

A stylized, handwritten-style signature of 'Rsm' in black ink.

RSM AUSTRALIA PARTNERS

A stylized, handwritten-style signature of 'AIK KONG TING' in black ink.

AIK KONG TING  
Partner

Perth, WA  
Dated: 13 March 2023

**DIRECTORS**

Gregory Bittar (Executive Chairman)

Jonathan Downes (Non-Executive Director)

Ashok Parekh (Non-Executive Director)

**COMPANY SECRETARY**

Stephen Brockhurst

**REGISTERED OFFICE**

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Perth WA 6000

**SHARE REGISTRY**

Automic Group

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**AUDITORS**

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Perth WA 6000

**BANKERS**

National Australia Bank

**WEBSITE**

[www.kingwestresources.com.au](http://www.kingwestresources.com.au)