

Company Research

 21st February 2022

Share Price **\$0.14**

52-Week Range	\$0.115 - \$0.175
Shares Outstanding	161.2m
Options	4.8m
Market Capitalisation	\$22.6m
Cash (estimated post-IPO)	\$8.6m
Enterprise Value	\$14.0m
Top 20 shareholders	70%
Major Shareholders	
Dave O'Neill	14.9%
John Prineas	14.3%
InZinc Mining Ltd	8.4%
SSI Fund Management	3.1%

Board

John Prineas	Non-Executive Chairman
Dave O'Neill	Managing Director
Michael Anderson	Non-Executive Director

Management

Rocky Pray	VP Operations
Robert Schafer	Technical Advisor
George Bee	Technical Advisor
Thomas Ulrich	Technical Advisor



American West Metals Ltd (ASX: AW1) is a mineral exploration and development company. AW1 is focused on developing the advanced zinc-copper-indium deposit at West Desert, Utah as well as exploration across the broader project area; expanding the high-grade discoveries at the Storm Copper and Seal Zinc Projects, Nunavut; and establishing a resource at the expansive Copper Warrior Project, Utah.

Research Analyst: J-François Bertincourt

West Desert to be ranked among high value polymetallic deposits

Background: American West Metals Ltd (ASX: AW1) listed in December 2021 on the Australian Securities Exchange raising \$12 million at \$0.20/share. The company portfolio consists of three base metals projects. This short note is solely focused on the flagship West Desert polymetallic project, 100% owned.

Strategy: The previous owners delineated a significant mineral resource of 66.6 million tonnes at 1.98% Zn, 0.21% Cu and 24g/t In for 1,320,500 tonne of zinc, 143,200 tonnes of copper and 1,604 tonnes of indium metals contained (2014 Technical Report). AW1's strategy is to re-evaluate the project focusing on the high grade zones. Preliminary investigations by Entech (Independent Geologist's Report, Oct 2021) have confirmed that those present good geological continuity. Going forward, AW1 shall capitalise on the high grade zones with resource infill and extensional drilling.

Higher Grade Resource: Using a 2.4% Zn cut-off grade, the mineral resource is estimated at 16.5 million tonnes at 6.29% Zn and 0.3% Cu for 1,039,500 tonnes of zinc and 49,500 tonnes of copper contained (IGR, Oct 2021)

Copper Resource Growth: there are a number of high grade copper lenses not included in the high grade zinc mineral resource estimate with excellent intercepts such as 5.1m @ 3.45% Cu from 262m (Hole CC-0) and 10.4m @ 3.2% Cu from 469m (Hole CC-39).

Precious Metals Add-Ons: discovered in the 1950's, a historic mineral resource estimate for the West Desert deposit by Noble Peak Resource Ltd reported both silver and gold (Henderson, 1995) as follows, at 2% Zn cut-off grade: 15.7 million tonnes at 6.17% Zn, 0.27% Cu, 14 g/t Ag and 0.17 g/t Au. This MRE is quite similar in tonnage and grade to the high-grade resource mentioned above. So we can look forward to seeing precious metals included in the future JORC compliant MRE by AW1. Assays are available and include outstanding intercepts such as 46m @124 g/t Ag from 173m (Hole C08-11).

Comparison with ASX-Listed Companies/Projects: As a couple of projects are made of a few deposits, the table below focuses on the key deposits for comparative purposes:

Mineral Resources

Deposit	Mt	Cu %	Pb %	Zn %	Ag g/t	Au g/t	Notes
Rupice	12.0	0.5	2.6	4.1	149	1.40	+7 Mt Veovaca LG deposit + Antimony and Barite
Sulphur Springs	13.8	1.5	0.2	3.8	17	-	+12 Mt satellite deposits
Oracle Ridge	12.2	1.5	-	1.9	16	0.19	standalone
Antler	7.7	2.2	0.9	5.3	29	0.18	standalone
West Desert	16.5	0.3	-	6.3	14	0.17	standalone + Indium 33 g/t

Source: company announcements. LG = low grade. West Desert Ag and Au grades added on the basis of the 1995 MRE for the sake of comparative purposes at this time

The currently low copper grade should be addressed by the upcoming drilling campaign targeting previously identified copper dominant lenses. The silver and gold grades should be addressed with the next mineral resource estimate.

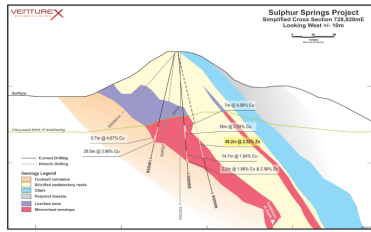
Companies (in the same order)

Company	Code	MC	Project	Location	Stage
Adriatic Metals	ADT	\$617m	Vares	Bosnia-Herzegovina	DFS
Develop Global	DVP	\$448m	Pilbara	Western Australia	DFS
Eagle Mountain Mining	EM2	\$142m	Oracle Ridge	United State	Resource
New World Resources	NWC	\$108m	Antler	United States	Resource
American West Metals	AW1	\$23m	West Desert	United States	Resource

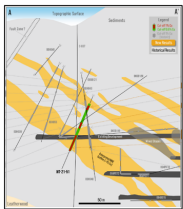
Source: company announcements. MC = market capitalisation

Investment Perspective: The currently low market valuation of AW1 compared to its peers offers an excellent investment opportunity. Drill hole WD22-01 (see next page) could be the catalyst for a re-rating with AW1 reporting 288m of visual mineralisation. Assays are expected within 4-5 weeks. Then drill hole WD22-01C currently underway is targeting copper-gold lenses.

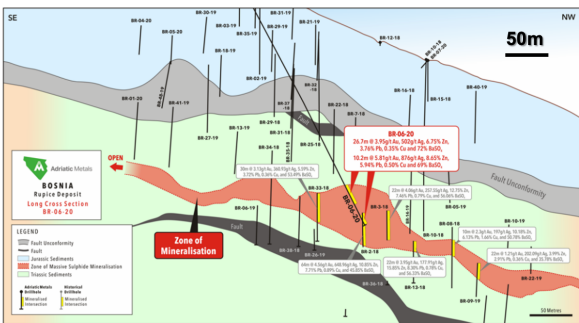
Visual Comparative Analysis of the West Desert Deposit , Utah, USA – All sections at the same scale



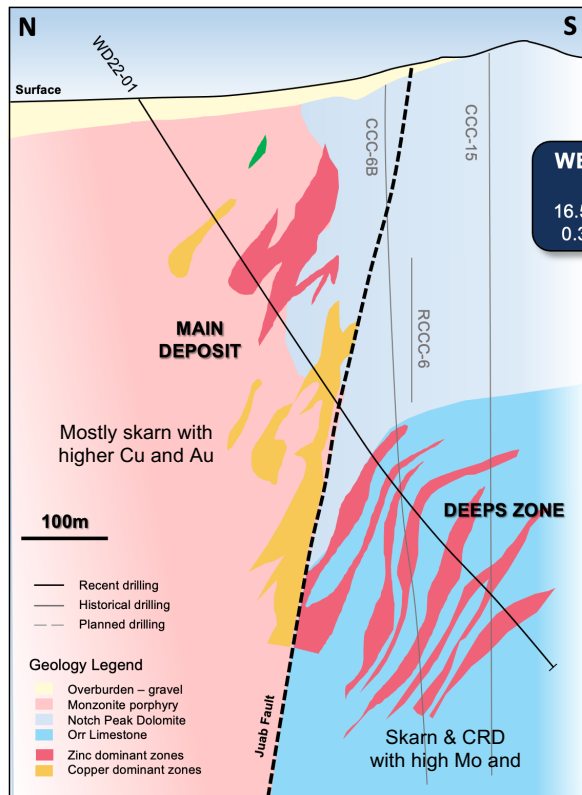
SULPHUR SPRINGS: DVP



ORACLE RIDGE: EM2



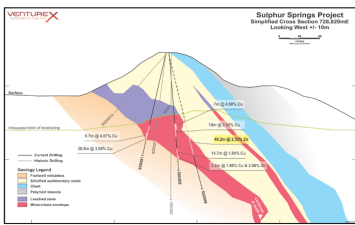
RUPICE: ADT



WEST DESERT DEPOSIT
16.5Mt @ 6.3% Zn,
0.3% Cu, 33g/t In

Mostly skarn with higher Cu and Au

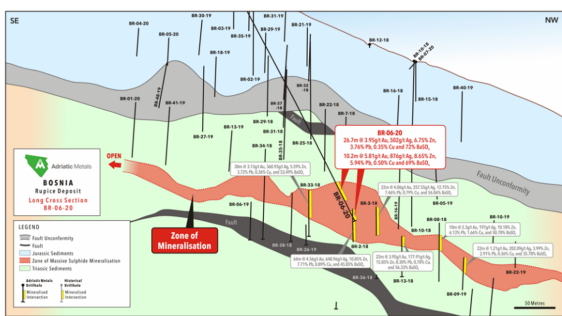
- Geology Legend**
- Overburden – gravel
 - Monzonite porphyry
 - Notch Peak Dolomite
 - Orr Limestone
 - Zinc dominant zones
 - Copper dominant zones



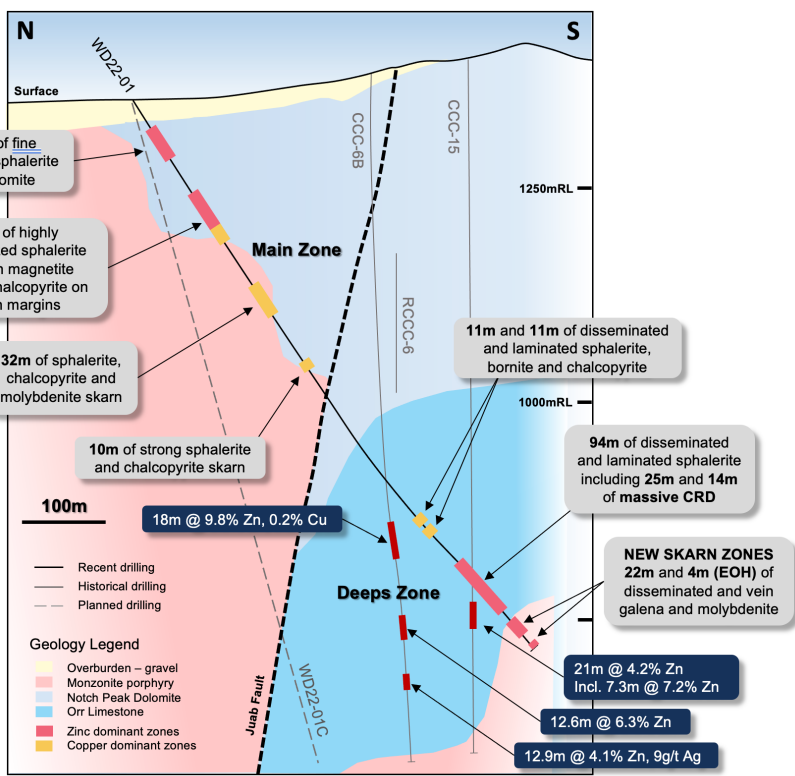
SULPHUR SPRINGS: DVP



ORACLE RIDGE: EM2



RUPICE: ADT



- 44m of fine grained sphalerite in dolomite
- 55m of highly mineralized sphalerite veins in magnetite skarn. Chalcopyrite on skarn margins
- 32m of sphalerite, chalcopyrite and molybdenite skarn
- 10m of strong sphalerite and chalcopyrite skarn
- 18m @ 9.8% Zn, 0.2% Cu
- 11m and 11m of disseminated and laminated sphalerite, bornite and chalcopyrite
- 94m of disseminated and laminated sphalerite including 25m and 14m of massive CRD
- NEW SKARN ZONES 22m and 4m (EOH) of disseminated and vein galena and molybdenite
- 21m @ 4.2% Zn Incl. 7.3m @ 7.2% Zn
- 12.6m @ 6.3% Zn
- 12.9m @ 4.1% Zn, 9g/t Ag

Source: AW1. Company announcements.

DISCLAIMER & DISCLOSURE OF INTEREST - This document is provided in good faith from sources believed to be accurate and reliable. Terra Studio Pty Ltd directors and employees do not accept liability for the results of any action taken on the basis of the information provided or for any errors or omissions contained therein. Readers should seek investment advice from their professional advisors before acting upon information contained herein. The views expressed in this document accurately reflect the personal views of Jean-François Bertincoart about the subject and its related securities. The author does hold an economic interest in the securities included in this document. The production of this document has been sponsored by American West Metals Ltd.