



Discovery storm brewing in Canada

American West Metals Ltd managing director Dave O'Neill has no doubt his company has exceeded all expectations this year. The only thing left to determine is by how much.

A potential major copper discovery at Storm – on Somerset Island in Nunavut, Canada – is the latest in a growing list of achievements for American West since debuting on the ASX last December. The company is also on the cusp of unveiling a maiden JORC-compliant resource for its West Desert project in Utah.

American West was still awaiting the full suite of assay from its maiden 10-hole diamond drilling programme at Storm, but O'Neill is already salivating over what he has seen so far. Best intersections returned to date include 41m @ 4.1% copper from 38m (including 15m @ 10.15% from 47m and 5m @ 24.28% from 48m) and 57m @ 2.5% copper from 8m (including 1m @ 21.9% from 14m and 8m @ 7.86% from 29m).

However, the 10th and final hole is the one O'Neill is anticipating the most as it is considered to be the discovery hole which intersected stratiform copper sulphide mineralisation at depth, supporting the company's belief a major copper system lies below the near-surface and high-grade mineralisation.

O'Neill said it was unlikely this hole would be a one-hit wonder.

"Statistically speaking, it's impossible that you drill one hole, hit mineralisation and that's it," he told **Paydirt**.

"This is a new greenfields discovery, it looks to be a completely different system to the high-grade surficial stuff.

"Obviously, we need the assays to confirm the metal contents, etc, but even without having the assays, one thing it does potentially prove is that a bigger sedimentary copper system exists at depth. This is a massive discovery and it's essentially why BHP [Ltd] and Antofagasta [plc] joint ventured into this project historically."

O'Neill said he "could not be happier" with the preliminary observations from the 10 holes drilled at Storm, with only the

ninth hole which "nicked" the large EM plate the company was looking to test not considered "highly effective".

The EM plate is one of six previously untested anomalies now on the company's radar. Also warranting further investigation is the potential for a high-grade open pit and DSO mining operation from a shallow copper resource which would fund further exploration over the entire 120km mineralised trend.

Work completed by American West to date has indicated a quality DSO product from simple beneficiation techniques.

"If we can get a very low cost, low footprint DSO operation up in the first few years, doing a 60% copper product, then that very quickly can fund our other exploration work," O'Neill said.



American West has made a potential major copper discovery at Storm, on Somerset Island in Nunavut, Canada

"What that sets us up for, as a company, is we won't necessarily need strategic or major support to progress this project, and that's why it's been so important to have the two strategies going hand in hand together. If this was just a regional exploration play, then you would probably want the support of the major, just because you're covering a lot of ground and you will need a lot of helicopter support, etc."

Plans for the next field season in Canada are already under way. O'Neill hopes the company will be able to start earlier than this year's first campaign with more ground logistical support identified as a priority.

Meanwhile, a maiden JORC-compliant

resource for West Desert is expected before the end of the month. More than 59mt of resources, including a high-grade core of 16.5mt @ 6.3% zinc, 0.3% copper and 33 g/t indium containing 1.03mt zinc, 45,000t copper and 545t indium were defined in a 2014 PEA, under the Canadian NI 43-101 reporting standards.

O'Neill said the company was already looking beyond the upcoming resource announcement.

"We want to do some RC exploration work around the high-grade historical mine because that sits in the hanging wall of the potential pit," he said. "We also want to do some exploration work following up Hole 19 and some of the other hits along strike which really show the expansive potential for West Desert. If we can, we'd

like to get a rig back out there towards the end of the year."

If all runs to plan at West Desert, American West is likely to transport the drill rig over to Copper Warrior, also in Utah. Permitting for a 20-hole programme targeting depths of 100-150m is reportedly under way.

O'Neill said the company's slogan of "right assets, right timing" continued to ring true, although he conceded the market had not done American West any favours since its \$15 million IPO late last year.

"Obviously there was a lot of IPOs at the back end of the year and since then, I think it's fair to say it hasn't been the best year for a lot of people in the market given the macros, etc so our timing in that context wasn't ideal, but to be de-risking high quality zinc and copper assets right now I think is very good timing," he said.

"It's very apparent that high quality copper and zinc assets are not everywhere and are getting harder and harder to find. The amount of people to have come out of the woodwork with the recent Storm activities, has been a real eye opener."

– Michael Washbourne