

Wednesday, 21 February 2024

A\$10M IN FUNDING TO ADVANCE STORM COPPER

Equity raising includes Canadian ‘flow-through’ shares to be issued at a 22.5% premium to market

- American West secures a total of A\$10 million in new funding to significantly bolster the resource and exploration program at the Storm Copper Project, Canada
- A\$6.977 million raised utilising the Flow-Through Shares (FTS) provisions under Canadian tax law
- FTS shares will be placed at A\$0.147¹ per share, representing a 22.5% premium to American West’s closing price of A\$0.12 per share on 16 February 2024 and a 40% premium to a concurrent institutional placement of shares at price of A\$0.105
- Concurrent with the FTS placement the Company is undertaking a placement to institutional and sophisticated investors to raise a further A\$3.024 million at A\$0.105 per share
- Expanded exploration program scheduled to commence at Storm next month with a focus on resource growth and the testing of large-scale copper targets

American West Metals Ltd (ASX: AW1) (“**AW1**”, “**American West**” or “**the Company**”) is pleased to announce that it has received firm commitments to raise A\$10 million via a combination of a Flow-Through Shares (**FTS**) placement under the Income Tax (Canada) (**FTS Placement**) and a placement of fully paid ordinary shares (**Institutional Placement**) pursuant to s708(8) of the Corporations Act (Cth) 2001.

Dave O’Neill, American West Managing Director said:

“We are extremely pleased to successfully execute this significant capital raising which includes shares issued at a substantial premium to AW1’s last closing price.

“The raise was heavily oversubscribed by investors in Australia and globally – in recognition of the high quality of the Storm Project and the tremendous valuation upside it offers.

“The proceeds from the capital raising further strengthen the Company’s balance sheet and allow us to expand the work program at Storm, which will commence during March.

“Major milestones are planned for 2024 including an upgrade of the Storm Resource and the completion of metallurgical processing and economic studies – which we believe will add significant value to American West.”

¹ FTS shares are placed to Canadian investors at C\$0.1264 which is equivalent to A\$0.147 based on an A\$:C\$ exchange rate of 0.86.



Use of Funds – Advancing Storm

American West will continue to unlock the outstanding potential at Storm – a Project which we believe is emerging as a globally significant copper district with an expedited pathway to a potential low-cost, high-margin mining operation. Funds raised from the FTS Placement will be specifically used for exploration and resource activities at the **Storm Copper Project**, including:

- Expansion of the known resources (the current JORC Code 2012 compliant Indicated and Inferred Mineral Resource Estimate for Storm contains **17.5Mt @ 1.2% Cu, 3.4g/t Ag**).
- Resource definition at the Thunder, Lightning Ridge, The Gap and other high-grade copper Prospects.
- Exploration and target delineation within the Storm and regional areas, including the Blizzard, Tornado and Tempest Prospects.

Funds raised under the Institutional Placement will further strengthen the Company’s balance sheet and will be used to complete study, development and Utah exploration activities, including:

- Development and permitting activities at the Storm Project.
- Permitting studies at the West Desert Project.
- Follow-up exploration activities at the Copper Warrior Project.

Flow Through Placement Raises A\$6.977 Million at a Premium

American West has received firm commitments under the FTS Placement to raise C\$6,000,000 (A\$6,977,848)² (before costs) through the issue of 47,468,355 ordinary shares (**New FTS Shares**).

The New FTS Shares will be issued at a price of C\$0.1264 (A\$0.147) per share which represents:

- a 22.5% premium to the closing price of American West Shares on 16 February 2024, the trading day immediately prior to launch of the FTS Placement.
- a 40% premium to the concurrent Institutional Placement.

The FTS Placement is facilitated by Canadian flow-through share dealer, PearTree Securities Inc. (**PearTree**), pursuant to a subscription and renunciation agreement with the Company. PearTree will not receive any fees or commissions from the Company for its role in respect of the FTS Placement.

Pursuant to the Canadian FTS regime, tax incentives are provided to eligible investors in the FTS Placement for expenditures of American West which qualify as flow through critical mineral mining expenditures under the Income Tax Act (Canada). The “Flow-Through Share” is a defined term in the Income Tax Act (Canada) and is not a special class of share under corporate law.

Secondary Sale

RM Capital Pty Ltd (**RM Capital**), Ord Minnett Limited (**Ord Minnett**) and Bell Potter Securities Limited (**Bell Potter**) (the **JLMs**) have offered to acquire all of the New FTS Shares from clients of PearTree pursuant to a block-trade arrangement at a price of A\$0.105 per share (**Block Trade Price**).

² A\$6,977,848 based on an A\$:C\$ exchange rate of 0.86.



The JLMs will facilitate the secondary sale of the New FTS Shares to institutional and sophisticated investors at the Block Trade Price.

The FTS Shares will cease to be 'flow-through shares' on completion of the FTS Placement and investors acquiring any New FTS Shares as part of the secondary sale will not have rights to tax benefits under the FTS regime.

A transaction specific prospectus prepared in accordance with section 713 of the Corporations Act 2001 (Cth) will be issued in connection with the FTS Placement to facilitate secondary trading of the New FTS Shares.

Institutional Placement Raises an Additional A\$3.024 Million

American West, through the JLMs, has also received firm commitments under the Institutional Placement to raise A\$3,024,000 (before costs) through the issue of 28,800,000 ordinary shares at an issue price of A\$0.105 per share, representing the same price as the Block Trade Price.

These shares will be placed with institutional and sophisticated investors pursuant to s708(8) of the Corporations Act (Cth) 2001.

Directors Dave O'Neill and Daniel Lougher (or their nominees) also intend to participate in the Placement. The issue of Shares to the Directors will be subject to the receipt of shareholder approval at the Company's upcoming general meeting.

Placement Capacity

For the FTS Placement, 3,839,916 Shares will be issued using the Company's Listing Rule 7.1 placement capacity and 43,628,439 shares will be issued using the Company's Listing Rule 7.1A placement capacity. The New FTS Shares will rank equally with the Company's existing shares on issue.

Settlement of the secondary sale of the New FTS Shares is scheduled to occur on 29 February 2024.

The shares issued under the Institutional Placement will be issued under the Company's existing placement capacity under ASX Listing Rule 7.1, and will rank equally with the Company's existing shares on issue.

Settlement of the Institutional Placement is also scheduled to occur on 29 February 2024.

Joint Lead Managers

RM Capital, Ord Minnett and Bell Potter acted as Joint Lead Managers to the Institutional Placement as well as to the secondary sale of the New FTS Shares.

A management fee of 2% and a placement fee of 4% are payable to the JLMs in regard to the amount raised under the Institutional Placement and on the value of the secondary sale of New FTS Shares, respectively. The JLMs will also be allotted 6,000,000 options in AW1 exercisable at A\$0.25 on or before 30 September 2027.

This announcement has been approved for release by the Board of American West Metals Limited.



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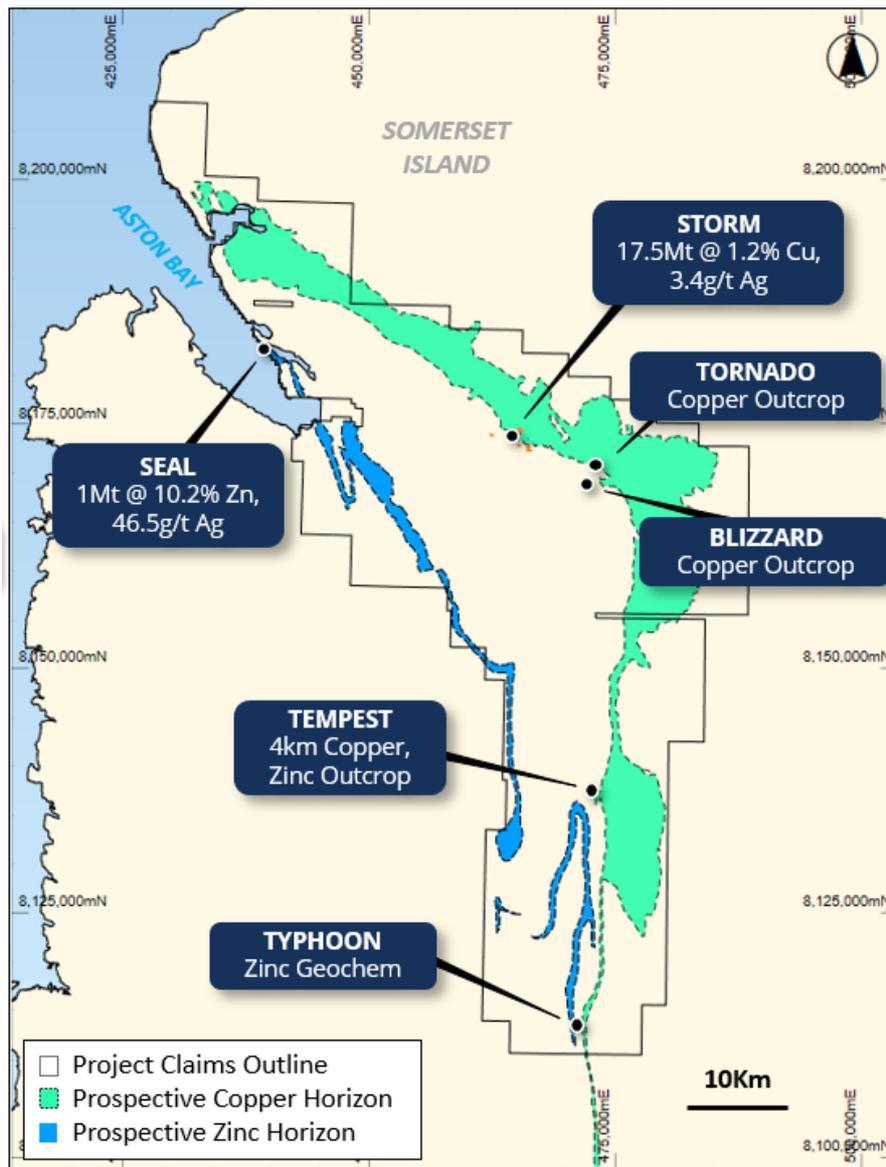


Figure 1: Map of the Project area showing the known copper and base metal deposits/prospects, project boundary, and interpreted prospective copper and zinc horizons..

Note - The resources for the Seal Deposit are historical and foreign and are reported under Canadian NI 43-101 standards, not in accordance with the 2012 JORC Code.



Competent Person Statement

The information in this Announcement that relates to the estimate of Mineral Resources for the Storm Project is based upon, and fairly represents, information and supporting documentation compiled and reviewed by Mr. Kevin Hon, P.Geo., Senior Geologist, Mr. Christopher Livingstone, P.Geo, Senior Geologist, Mr. Warren Black, P.Geo., Senior Geologist and Geostatistician, and Mr. Steve Nicholls, MAIG, Senior Resource Geologist, all employees of APEX Geoscience Ltd. and Competent Persons. Mr. Hon and Mr. Black are members of the Association of Professional Engineers and Geoscientists of Alberta (APEGA), Mr. Livingstone is a member of the Association of Professional Engineers and Geoscientist of British Columbia (EGBC), and Mr. Nicholls is a Member of the Australian Institute of Geologists (AIG).

Mr. Hon, Mr. Livingstone, Mr. Black, and Mr. Nicolls (the “**APEX CPs**”) are Senior Consultants at APEX Geoscience Ltd., an independent consultancy engaged by American West Metals Limited for the Mineral Resource Estimate. The APEX CPs have sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". The APEX CPs consent to the inclusion in this Announcement of matters based on his information in the form and context in which it appears.

The Company confirms that it is not aware of any new information or data that materially affects the results included in the original market announcements referred to in this Announcement and that no material change in the results has occurred. The Company confirms that the form and context in which the Competent Persons’ findings are presented have not been materially modified from the original market announcement.

The ASX announcement contains information extracted from the following reports which are available on the Company’s website at <https://www.americanwestmetals.com/site/content/>:

- 30 January 2024 Maiden JORC MRE for Storm

ASX Listing Rule 5.12

The Company has previously addressed the requirements of Listing Rule 5.12 in its Initial Public Offer prospectus dated 29 October 2021 (released to ASX on 9 December 2021) (“**Prospectus**”) in relation to the 2014 Foreign Seal MRE at the Nunavut Project. The Company is not in possession of any new information or data relating to the Seal Project that materially impacts on the reliability of the estimates or the Company’s ability to verify the estimates as mineral resources or ore reserves in accordance with the JORC Code. The Company confirms that the supporting information provided in the Prospectus continues to apply and has not materially changed.

This ASX announcement contains information extracted from the following reports which are available on the Company’s website at <https://www.americanwestmetals.com/site/content/>:

- 29 October 2021 Prospectus

The Company confirms that it is not aware of any new information or data that materially affects the exploration results included in the Prospectus. The Company confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified from the Prospectus.



Forward looking statements

Information included in this release constitutes forward-looking statements. Often, but not always, forward looking statements can generally be identified by the use of forward-looking words such as “may”, “will”, “expect”, “intend”, “plan”, “estimate”, “anticipate”, “continue”, and “guidance”, or other similar words and may include, without limitation, statements regarding plans, strategies and objectives of management.

Forward looking statements inherently involve known and unknown risks, uncertainties and other factors that may cause the Company’s actual results, performance, and achievements to differ materially from any future results, performance, or achievements. Relevant factors may include, but are not limited to, changes in commodity prices, foreign exchange fluctuations and general economic conditions, the speculative nature of exploration and project development, including the risks of obtaining necessary licenses and permits and diminishing quantities or grades of reserves, political and social risks, changes to the regulatory framework within which the Company operates or may in the future operate, environmental conditions including extreme weather conditions, recruitment and retention of personnel, industrial relations issues and litigation.

Forward looking statements are based on the Company and its management’s good faith assumptions relating to the financial, market, regulatory and other relevant environments that will exist and affect the Company’s business and operations in the future. The Company does not give any assurance that the assumptions on which forward looking statements are based will prove to be correct, or that the Company’s business or operations will not be affected in any material manner by these or other factors not foreseen or foreseeable by the Company or management or beyond the Company’s control.

Although the Company attempts and has attempted to identify factors that would cause actual actions, events, or results to differ materially from those disclosed in forward looking statements, there may be other factors that could cause actual results, performance, achievements, or events not to be as anticipated, estimated or intended, and many events are beyond the reasonable control of the Company. Accordingly, readers are cautioned not to place undue reliance on forward looking statements. Forward looking statements in this announcement speak only at the date of issue. Subject to any continuing obligations under applicable law or any relevant stock exchange listing rules, in providing this information the Company does not undertake any obligation to publicly update or revise any of the forward-looking statements or to advise of any change in events, conditions or circumstances on which any such statement is based.



ABOUT AMERICAN WEST METALS

AMERICAN WEST METALS LIMITED (ASX: AW1) is a new Australian company focussed on growth through the discovery and development of major base metal mineral deposits in Tier 1 jurisdictions of North America. We are a progressive mining company focused on developing mines that have a low-footprint and support the global energy transformation.

Our portfolio of copper and zinc projects include significant existing resource inventories and high-grade mineralisation that can generate robust mining proposals. Core to our approach is our commitment to the ethical extraction and processing of minerals and making a meaningful contribution to the communities where our projects are located.

Led by a highly experienced leadership team, our strategic initiatives lay the foundation for a sustainable business which can deliver high-multiplier returns on shareholder investment and economic benefits to all stakeholders.

