

ASX RELEASE

(ASX: AW1)

American West
Metals Limited 

11 May 2022

ASX Limited
Level 40 Central Park
152-158 St Georges Terrace
PERTH WA 6000

ASX QUERY LETTER – RESPONSE BY AMERICAN WEST

American West Metals Limited (ASX: AW1) (**American West** or the **Company**) refers to ASX's query letter dated 6 May 2022 (**Query Letter**) and provides the following responses.

Capitalised terms used in these responses have the same meaning given in the Query Letter.

- (1) **Based on AW1's disclosure regarding the anticipated timing of assay results in the 14 February 2022 and in the 29 March 2022 Announcement, it appears that American Assay Laboratories advised AW1 of a delay in anticipated timing for the assay results. Did AW1 receive any subsequent updates on timing from American Assay Laboratories between the release of the 29 March 2022 Announcement and AW1's receipt of the assay results for drill hole WD22-01 on 23 April 2022? If so, please provide details.**

The Company commenced a major diamond drill program in January 2022. This was announced in American West's ASX Release dated 18 January 2022 entitled *Diamond Drilling Underway at West Desert* which indicated that 7,500m of drilling was planned with drill hole depths ranging from 450m to 800m.

The first drill hole completed in that program was WD22-01 which has a downhole depth of 792.56m. This is a deep hole. The visual geological logging for that drill hole was reported in the Company's ASX Release dated 14 February 2022 entitled *Extensive Mineralisation Identified at West Desert*. That ASX Release reported that WD22-01 intersected a total of 288m of mineralisation over 10 major intervals and included a schematic geological section showing details of the mineralised intervals in WD22-01 together with a Table that contained further details of each mineralised interval in WD22-1.

After completion of WD22-01, a very large number of samples were prepared for assaying reflecting the very significant 288m of mineralisation intersected in that deep drill hole.

American West – through its Managing Director and members of its technical team – has an ongoing dialogue with American Assay Laboratories (**AA Labs**), being the laboratory selected to



complete assays for the major diamond drill program at West Desert. Typically, AA Labs provides an estimate for completion of assays but that timing can vary due to processing delays, the need to re-assay ore grade samples or other unscheduled events. Often, assay data is not received on the scheduled date advised by AA Labs to American West.

In regard to WD22-01, American West received assay data from AA Labs in four batches during the period 29 March 2022 to 23 April 2022. The final results were received on 23 April 2022 and these were required to prepare a complete analysis of the results in WD22-01 and prepare a JORC Code (2012) compliant report.

The Company was informed by AA Labs on the 10th, 14th, 17th and 22nd of April 2022 that the final batch of assay data for WD22-01 was scheduled for delivery on or around 23 April 2022. Given previous delays in the delivery of assay data, this advice was considered an estimate rather than a guarantee of delivery on that date.

- (2) When the Twitter Post was approved by the Managing Director and Chairman for release on 22 April 2022, was AW1 of the understanding that receipt of the assay results for drill hole WD22-01 was imminent?**

In the ASX release dated 4 April 2022 and entitled *Quarterly Activities Report for the Period ended March 2022* the Company advised that assay results were pending and expected early in the June quarter.

In the ASX Release dated 11 April 2022 entitled *Over 53% Cu Direct Shipping Ore Generated at Storm Copper*, the Company stated “Whilst the assay results for the drilling at the West Desert Project are imminent, our shareholders will be encouraged to see that we are also progressing high value initiatives across our portfolio”.

As from early April 2022, there was an expectation by American West that assay results were imminent and due soon. This was communicated through the ASX market announcement platform.

At the time the Twitter Post was released on 22 April 2022, the Company had not received all assay data from AA Labs. There was no certainty as to when that data would be received.

- (3) If the answer to question 2 is ‘no’, please explain on the basis for that response, commenting specifically on the fact that the Twitter Post included the statement ‘Assay results are due very soon!’ and that the statement in the 29 March 2022 Announcement that ‘Drilling continues on approximate 7,500m program, with assays for all holes pending and expected in the coming weeks’.**

Not Applicable.



- (4) **Please explain the rationale for AW1 publishing the Twitter Post given AW1's response to ASX Aware Letter stated that 'the Twitter Post contained information already released to the market through the Company's ASX market announcement platform, and already contained on the Company's website.'**

Twitter is used by the Company as part of its digital investor engagement strategy. Any information published by the Company on Twitter must comply with the Company's continuous disclosure policy. Certainly, information that is price sensitive or material to exploration results is not published on Twitter unless already released through the Company's ASX market announcement platform.

The Company announced completion of drill hole WD22-01 in the ASX Release dated 14 February 2022 entitled *Extensive Mineralisation Identified at West Desert*. As noted in response (2) above, the Company's expectation for the assay results of WD22-10 was communicated in the ASX Release dated 4 April 2022 entitled *Quarterly Activities Report for the Period ended 31 March 2022* and in ASX Release dated 11 April 2022 entitled *Over 53% Cu Direct Shipping Ore Generated at Storm Copper*.

These ASX releases appear on the Company's website.

Given the delays in receiving assays for WD22-01, the rationale of the Twitter Post was to repeat the Company's expectation that assays were due soon – as already announced in the abovementioned ASX Releases – so as to maintain investor engagement.

The Twitter Post comprised the following brief statement together with a photo showing 15cm of drill core:

"Photo of core from 545m downhole in drill hole WD22-01, displaying some of the strong #copper mineralisation encountered in the hole. Assay results are due very soon!"

The Company's ASX Release dated 14 February 2022 entitled *Extensive Mineralisation Identified at West Desert* contained a very detailed geological description for a total of 288m of mineralisation intersected in WD22-01 and included a schematic geological section showing the mineralised intervals in WD22-01.

The comprehensive information on WD22-01 in that ASX Release is completely incomparable in quality and detail to the subsequent Twitter Post that merely flagged one of the points covered in the ASX Release – namely that very thick copper mineralisation had been visually logged in the hole.

- (5) **Noting that AW1's 14 February 2022 Announcement contained a photograph of a portion of drill core from drill hole WD22-01, and the Response to ASX Aware Letter in which AW1 stated that the Twitter Post referred to information released to the market on the 14 February 2022 announcement, what factors did AW1 consider in using a previously**



unreleased photograph to accompany this information in a Twitter Post in favour of using the photograph that accompanied the original release on 14 February 2022.

The images used in the ASX Release dated 14 February 2022 and in the Twitter Post are reproduced below:

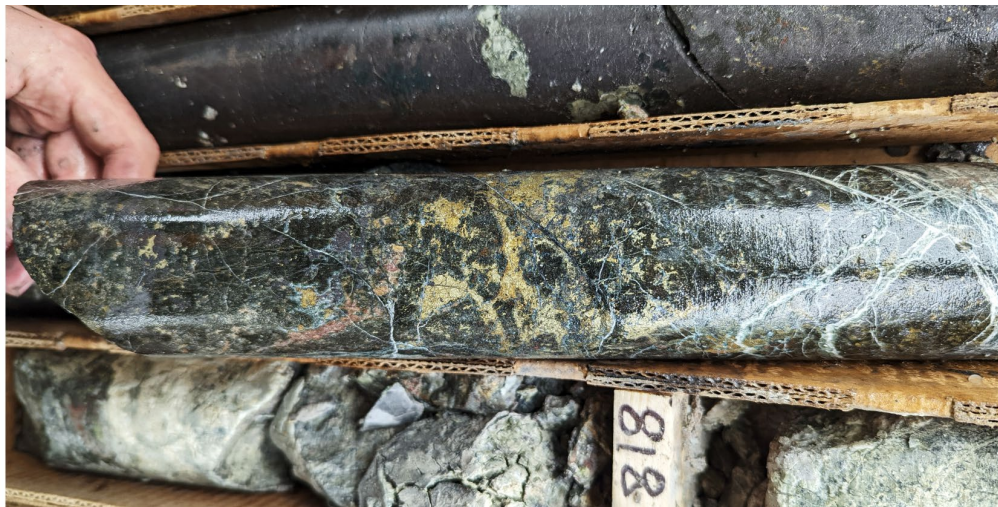


Photo from ASX Release dated 14 February 2022



Photo from Twitter Post

The photo of drill core from WD22-01 used in the ASX Release shows visual chalcopyrite (copper) that is representative of many of the zones of mineralisation within the drill hole. The photo in the Twitter Post shows approximately 15cm of drill core from the same drill hole with mineralisation that is very similar in composition to that depicted by the photo in the ASX release.

Accordingly, the image contained in the Twitter Post did not represent new information regarding exploration results for WD22-01. A detailed summary of the visual geological logging of WD22-01 was contained in the ASX Release of 14 February 2022.

(6) Please confirm that AW1 is in compliance with the Listing Rules and, in particular, Listing Rule 3.1

The Company confirms that it is in compliance with the Listing Rules and, in particular, Listing Rule 3.1 (when read in conjunction with Listing Rule 3.1A).

(7) Please confirm that AW1's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its Board or an officer of AW1 with delegated authority from the Board to respond to ASX on disclosure matters.

The Company confirms that the responses have been authorised and approved in accordance with the Company's continuous disclosure policy.

Yours sincerely

Sarah Shipway
Company Secretary
American West Metals Limited



ABOUT AMERICAN WEST METALS

AMERICAN WEST METALS LIMITED (ASX: AW1) is a new Australian company focused 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 aims to deliver high-multiplier returns on shareholder investment and economic benefits to all stakeholders.





6 May 2022

Reference: 51815

Ms Sarah Shipway
Company Secretary
American West Metals Limited
By email: sshipway@aw1group.com

Dear Ms Shipway

American West Metals Limited ('AW1'): Query

ASX refers to the following:

- A. AW1's announcement entitled "Response to ASX Aware Letter" released on the ASX Market Announcements Platform ('MAP') on 28 April 2022, which stated (relevantly) in response to ASX's queries:

"(3) Was the Twitter Post made in accordance with AW1's Continuous Disclosure Policy?"

Yes, the Twitter Post contained information already released to the market through the Company's ASX market announcement platform, and already contained on the Company's website.

- (4) Noting the increase in the price of AW1's securities and increased trading volumes on Friday, 22 April 2022, does AW1 consider the information contained in the Twitter Post, being commentary regarding 'strong #copper mineralisation encountered in the hole' together with an image of the drill core from WD22-01 to be information that a reasonable person would expect to have a material effect on the price or value of AW1's securities?"***

No.

- (5) If the answer to question 4 is "no" please advise the basis for that view, commenting specifically on the increase in the price and volume of AW1's securities traded on Friday, 22 April 2022.***

The information in the Twitter Post had already been released to the market in the Company's ASX release dated 14 February 2022 entitled Extensive Mineralisation Identified at West Desert. That ASX release contained detail on the type of mineralisation intersected in WD22-01 and included numerous statements highlighting the strong mineralisation observed in the drill hole including "Very thick intervals of visual zinc, copper and lead mineralisation have been logged in drill hole WD22-01".

As the information in the Twitter Post had already been released to the market through the Company's ASX market announcement platform, American West does not consider that the information contained in the Twitter Post would have a material effect on the price and value of the Company's securities.

We note that London Metal Exchange (LME) zinc recorded an all-time high price on 19 April 2022, and that the Company's West Desert Project has a large zinc resource.

- (6) If AW1 first became aware of the WD22-01 Mineralisation Information before the release of the WD22-01 Assay Results Announcement, did AW1 make any announcement prior to the release of the WD22-01 Assay Results Announcement, which disclosed the WD22-01 Mineralisation Information? If so, please provide details. If not, please explain why the WD22-01 Mineralisation Information was not released to the market at an earlier time, commenting specifically on when you believe AW1 was obliged to release the WD22-01 Mineralisation Information under Listing Rules 3.1 and 3.1A and what steps AW1 took to ensure that the WD22-01 Mineralisation Information was released promptly and without delay.***

The Company announced details of visual geological logging of the drill core from WD22-01 in the ASX release dated 14 February 2022 entitled Extensive Mineralisation Identified at West Desert.

The Company received complete and final raw data on the assays for WD22-01 on Saturday 23 April 2022. This data was sent to American West by American Assay Laboratories in Reno, Nevada.

On receipt of the complete assay data the Company promptly collated and analysed the information so as to prepare a report on assay results for release to the market that was in compliance with the JORC Code (2012). The report was released pre-market open on Tuesday, 26 April 2022 (the Company notes that ASX was closed for trading on Monday, 25 April 2022).

Prior to the assay data being received on Saturday 23 April 2022 and the review of that data by American West's technical team, the Company did not have sufficient information to make a release to the market.

(7) At the time of the Twitter Post, was AW1 aware of any information concerning it that had not been announced to the market but was required to be announced pursuant to its continuous disclosure obligations under Listing Rule 3.1?

No. At the time of the Twitter Post, the Company was not aware of any new information that was required to be announced pursuant to its continuous disclosure obligations under Listing Rule 3.1.

...

(9) Please explain the basis for publishing the Twitter Post.

The Company, like many other companies in Australia and globally, issues Twitter posts as part of its digital investor engagement strategy.

The Twitter Post issued on 26 April 2022 referred to information that was previously released to the market through the Company's ASX market announcement platform.

(10) Who prepared and/or provided the content (including the image) of the Twitter Post?

American West provided the content for the Twitter Post. The Company's external investor relations consultant issued the Twitter Post with approval from the Company."

- B. AW1's announcement released on 14 February 2022 which stated on page 6 that 'Assays for WD22-01 are pending and can be expected in the next 4-5 weeks.' ('14 February 2022 Announcement').
- C. AW1's announcement released on 29 March 2022 which stated on page 5 that 'Drilling continues on the approximate 7,500m program, with assays for all holes pending and expected in the coming weeks.' ('29 March 2022 Announcement').
- D. The significant increase in volume of AW1's securities traded which occurred at 9.15am (AWST) on 22 March 2022, following the Twitter Post published at 9.04am AWST, and the accompanying increase in price to an all-time record for AW1's securities of \$0.265.

Request for information

Having regard to the above, ASX asks AW1 to respond separately to each of the following questions and requests for information:

1. Based on AW1's disclosures regarding the anticipated timing of assay results in the 14 February 2022 Announcement and in the 29 March 2022 Announcement, it appears that American Assay Laboratories advised AW1 of a delay in anticipated timing for the assays results. Did AW1 receive any subsequent updates on timing from American Assay Laboratories between the release of the 29 March 2022 Announcement and AW1's receipt of the assay results for drill hole WD22-01 on 23 April 2022? If so, please provide details.

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2. When the Twitter Post was approved by the Managing Director and Chairman of AW1 for release on 22 April 2022, was AW1 of the understanding that receipt of the assay results for drill hole WD22-01 was imminent?
 3. If the answer to question 2 is 'no', please explain the basis for that response, commenting specifically on the fact that the Twitter Post included the statement *'Assay results are due very soon!'* and that the statement in the 29 March 2022 Announcement that *'Drilling continues on the approximate 7,500m program, with assays for all holes pending and expected in the coming weeks.'*
 4. Please explain the rationale for AW1 publishing the Twitter Post given AW1's Response to ASX Aware Letter stated that *'the Twitter Post contained information already released to the market through the Company's ASX market announcement platform, and already contained on the Company's website'*.
 5. Noting that AW1's 14 February 2022 Announcement contained a photograph of a portion of drill core from drill hole WD22-01, and the Response to ASX Aware Letter in which AW1 stated that the Twitter Post referred to information released to the market in the 14 February 2022 Announcement, what factors did AW1 consider in using a previously unreleased photograph to accompany this information in the Twitter Post in favour of using the photograph that accompanied the original release on 14 February 2022?
 6. Please confirm that AW1 is complying with the Listing Rules and, in particular, Listing Rule 3.1.
 7. Please confirm that AW1's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of AW1 with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **11.00am AM (AWST) on Wednesday, 11 May 2022**. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, AW1's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out in the previous paragraph and may require AW1 to request a trading halt immediately.

Your response should be sent to me by e-mail at **ListingsCompliancePerth@asx.com.au**. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in AW1's securities under Listing Rule 17.1. If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in AW1's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to AW1's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. It should be noted that AW1's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Release of correspondence between ASX and entity

We reserve the right to release a copy of this letter, your reply and any other related correspondence between us to the market under listing rule 18.7A.

Questions

If you have any questions in relation to the above, please do not hesitate to contact me.

Yours sincerely

Stephanie Patchell

Adviser, Listings Compliance (Perth)