

West is best for intrepid geo

American West Metals Ltd managing director Dave O'Neill boldly describes the amount of upside at the company's flagship West Desert project in Utah as "spine-tingling" despite the complex polymetallic deposit already boasting close to 60mt in resource.

Containing a healthy mix of zinc, copper and silver, as well as the world's largest undeveloped resource of indium, West Desert is situated in the heartland of the Sevier orogenic belt which is home to the large Bingham Canyon copper deposit and prolific Tintic mining district.

American West acquired 100% of the project – described in the company's prospectus as a large zinc-polymetallic skarn and carbonate replacement deposit – from a cash-strapped Canadian explorer. The historical resource contains a high-grade core of 16.5mt @ 6.3% zinc, 0.3% copper and 33 g/t indium which O'Neill believes could represent the "true value" of the asset.

However, being a geologist, O'Neill cannot help but draw comparisons between the current resource numbers at the undeveloped West Desert and its more established neighbours.

"The skarn attached to the porphyry at Bingham Canyon was only 45mt and the

American West Metals Ltd

ASX: AW1

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IPO amount: \$15 million

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Key personnel: John Prineas (non-executive chairman), Dave O'Neill (managing director), Michael Anderson (non-executive director)

Focus: Copper and zinc, US and Canada



One of the final new listings of 2021, American West has started its maiden drilling programme at West Desert in Utah

Tintic skarn and carbonate replacement deposits were about 17mt, so in terms of scale we're already bigger," O'Neill told **Paydirt**.

"None of these porphyries have been drilled out. There's a copper-molybdenum porphyry, we've got high-grade copper and molybdenum veins at depth where we intersect the skarn and we've got drill holes along strike from the deposit that have high-grade copper, zinc and lead mineralisation, and some silver. We know this will expand because these things traditionally form in clusters.

"West Desert is attached to other parts of the porphyry...and where it comes in contact you have also got skarn mineralisation. It's actually spine-tingling the amount of upside."

O'Neill and his St George Mining Ltd chairman and colleague John Prineas are the founders of American West, which listed on the ASX in December. West Desert is one of three assets in the company's portfolio alongside Copper Warrior (Utah) and Storm-Seal (Nunavut, Canada).

West Desert was brought to the pair's attention while undertaking due diligence on potential acquisition opportunities for St George as part of a business development partnership with nickel miner Western Areas Ltd. However, it was decided any interest in North America would be better off housed in a new vehicle, allowing the original company to remain focused on nickel exploration in Western Australia.

American West began a 7,500m diamond drilling programme at West Desert last month, with results to be used to update the resource to JORC reporting standards before undertaking detailed mining studies.

O'Neill said the company would look to complete what the previous owners could not due to a lack of available funding for Canadian explorers at the time.

"They could only raise enough money to drill every 2-3 years so when you're trying to expand a 60mt deposit and you can only drill five holes, you're obviously not going to add much value, even though they did," he said.

"This is the value I see at West Desert – they [previous owners] drilled five holes and four of them were outside the resource and had high-grade intersections. But they could only drill every two years which is not going to be enough to move

the dial for investors."

O'Neill also sees a potential near-term development opportunity for the company's Copper Warrior project which is just 15km from Lisbon Valley, Utah's second largest copper mine.

It is understood that most of the key pits at Lisbon Valley have been exhausted and new sources of ore are required to keep the mill ticking over. O'Neill believes Copper Warrior presents the next best option.

"You've got one side of the valley where they've got their deposits and across the other side we've got exactly the same mining units exposed at our project," O'Neill said.

"It's going to be a volume equation. If we've got the volume there and we can show some resources fairly quickly, then Lisbon Valley will need ore so there's a potential commercial opportunity for us. Rather than build a plant, we can potentially send it down the road because we hear they're desperate."

Like West Desert, exploration at the Storm-Seal copper-zinc project in the north of Canada has been limited over recent years due to both funding issues and weather constraints.

Boasting both a high-grade copper discovery (Storm) and zinc deposit (Seal), the project is proximal to the longstanding Polar lead-zinc mine and is serviced by two drill rigs and a 35-man camp.

O'Neill insisted American West had the available resources to keep all projects ticking over in parallel, with programmes in each jurisdiction to be dictated by the respective weather seasons.

"West Desert is going to be continuous news; exploration and development, and Copper Warrior and Storm-Seal will dovetail into that," he said.

"The seasonal nature of Storm and Seal is a no-brainer, we can only do that in the Arctic summer at this point, but it's effectively a turnkey operation. We'll be using Apex Geoscience who have the geologists, the drillers, the camp managers, etc. We give them the programme and they execute it 100%. They know the project well, they've been working up there for the last 10 years."

– Michael Washbourne