

Thursday, 5 December 2024

Advancing the USA's largest indium resource at the West Desert Project in Utah

Policy shifts in the US to promote onshoring of critical metals supply chains place renewed focus on the only undeveloped indium resource in the USA – located at American West's 100%-owned West Desert Project

- **Only JORC compliant indium resource in the US**. American West reported a JORC 2012 Inferred Mineral Resource Estimate (MRE) in 2023 for indium at the West Desert Deposit which defined:
 - **33.7Mt @ 20g/t In and 0.1g/t Au for 23.8Moz of indium and 119Koz of gold**¹
- **Globally significant scale with further growth potential**. West Desert is rated as one of the largest undeveloped indium deposits globally². With only 10% of the project area explored and only 35% of drill holes sampled and assayed for indium, there is also potential to rapidly increase the already large-scale indium resource.
- **US Government research on West Desert**. US Geological Survey is funding a study into the indium endowment at West Desert, recognising the Projects unique and expansive indium footprint.
- **US critical metals**. Indium is classified as a critical mineral in the US, which currently imports 100% of indium – with current global indium production dominated by China.
- **US supply chain**. West Desert is well positioned to address US strategic vulnerabilities by eliminating reliance on foreign sources of indium and creating reliable domestic supply chains for this metal.
- **Tier 1 location in the US**. The West Desert Project is located in Utah – ranked No.1 mining jurisdiction in the world by the Fraser Institute³ – and on land owned 100% by American West.

American West Metals Limited (**American West** or **the Company**) (ASX: AW1) is pleased to provide an update on developments for the West Desert Project in Utah, USA (**West Desert** or the **Project**). The Company is considering strategies to unlock the value of this large and strategic mineral deposit including a potential spin-out or other commercial arrangement for the Project.

¹ See the Company's ASX Release dated 13 December 2023 titled '23.8 Million Ounces of Indium Defined at West Desert' and Table 1 below.

² Sourced from USGS publication dated 12 September 2022 titled 'Indium deposits in the United States'

³ Fraser Institute Annual Survey 2024.



Dave O'Neill, Managing Director of American West Metals, commented:

"As we get close to completing the exciting work programs for the Storm Copper Project – namely, the upgrade of the maiden Storm resource, economic, and mining studies – we are also excited to announce initiatives underway to advance the West Desert Project.

"The indium resource at West Desert is of particular strategic value, being the only defined indium resource in the USA. Indium is a critical metal with strategic importance for technology – being an essential component in touchscreens, displays, and semi-conductors – and having a broad range of other applications in military hardware and high-tech equipment.

"The incoming Trump administration in the USA has sent a clear message to the market that it will support the establishment of domestic supply chains for critical and strategic metals. With the USA being a 100% importer of indium, the large indium resource at West Desert has potential to establish a reliable domestic supply of this metal that will eliminate the USA's reliance on foreign sources.

"We have already kicked-off discussions with USA government agencies and will continue this engagement to explore opportunities for funding support to advance the West Desert Project.

"We will also consider strategic alternatives to unlock the significant latent value at West Desert including an earn-in for West Desert by a major mining company or a spin-out of West Desert into a separate ASX-listed company enabling American West to continue its focus on its flagship Storm Copper Project."

INDIUM AT WEST DESERT

The West Desert Deposit in Utah is the only deposit in the USA known to have a JORC Code 2012 compliant resource estimate of indium.

Only 35% of drill samples used in the JORC MRE were assayed for indium, highlighting the significant upgrade potential of the existing resource. As it stands, West Desert is one of the largest undeveloped deposits of indium in the world, and the largest in the US.⁴

The indium at West Desert is associated mainly with zinc, copper, silver, and magnetite mineralisation. This is typical of indium which does not form as a primary mineral deposit and is recovered through the processing of other minerals such as sphalerite (Zn), chalcopyrite (Cu) and roquesite (Cu/In).

Due to the unique features and exceptional indium endowment at the West Desert Deposit, the Utah Geological Survey (UGS) received a \$300,000 federal grant (from the US Geological Survey, a Federal agency) to complete a detailed study on the indium at West Desert (see ASX announcement dated 9 November, 2022 – *US Federal Grant for West Desert Critical Metals Study*).

The UGS research will focus on how the West Desert deposit formed, the deportment of the indium throughout the deposit and exploration indicators that may help find similar deposits in the future.

The West Desert resource is situated within land (i.e. patented claims) owned 100% by American West. This ownership will assist to expedite permitting for potential mining activities.

⁴ See USGS publication dated 12 September 2022 titled 'Indium deposits in the United States'. For information on other global indium deposits, see "The world's by-product and critical metal resources part III: A global assessment of indium" by T.T. Werner, Gavin M. Mud, Simon M. Jowitt published by Elsevier.



Utah is rated as the world's No.1 mining jurisdiction by the Fraser Institute, further emphasizing the favourable location of the Project.

The West Desert Project is ready for development studies with an established resource, security of tenure and access to existing regional infrastructure.

Category	Material	Mine type	Tonnes	In (g/t)	Au (g/t)	In (Oz)	Au (Oz)
Inferred	Oxide	Open Pit	15,531,071	10.8	0.09	5,916,698	49,306
Inferred	Sulphide	Open Pit	3,140,102	23.89	0.10	2,646,148	11,076
Inferred	Sulphide	Underground	14,996,864	28.73	0.12	15,198,136	63,480
Total			33,668,038	20.01	0.10	23,763,978	118,761

Table 1: JORC 2012 compliant West Desert Indium and Gold Inferred Resource.

Cut-off grades are: Open-pit Heap Leach oxide material category at 0.7% Zn, Open-pit Wet Mill sulphide material category 1.5% Zn, Underground Mill flotation sulphide material category >3.5% Zn.

For further details see the ASX Release dated 13 December 2023: '23.8 Million Ounces of Indium Defined at West Desert'.

INDIUM – METAL WITH STRATEGIC AND CRITICAL IMPORTANCE

Indium is considered a critical and strategic mineral and is used in the aerospace, defense, energy, and telecommunications sectors. In 2023, the USA imported 100 percent of its indium needs with China dominating the world's production (U.S. Geological Survey, 2024).

Indium, in the form of indium tin oxide (ITO), is sought after for use in high-tech applications, electronics, solar panels and advanced military technologies.

ITO is used as a transparent conductor for touchscreens in smart phones, laptops and other electronic devices, LCD screens and other display technologies.

Indium is also used in the production of semi-conductor chips, a high-growth sector in the USA which is seeking to reduce reliance on foreign chip manufacturers. In April 2024, the US government allocated US\$6.4 billion to Samsung, facilitating the establishment of expansive semiconductor chip plants in central Texas. Samsung agreed to inject US\$40 billion into the venture. These chips are pivotal, powering technologies ranging from artificial intelligence applications to vital medical devices.

The growth in artificial intelligence (AI) is expected to increase demand for specialised chip materials and AI hardware and servers. Indium, as ITO, is used as a coating on data centre fibers and cables to increase signal transmission and reduce loss.

World indium prices have risen steadily over the past five years, increasing from US\$192/kg in 2019 to US\$264/kg in 2024.⁵

China dominates both the known world reserves of indium (66%) and global indium production (65%)⁶, and China's control of reserves and production is believed to affect global prices and availability.

⁵ Mordor Intelligence, Indium Market Report 2024

⁶ Mordor Intelligence, Indium Market Report 2024



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

For enquiries:

Dave O'Neill
Managing Director
American West Metals Limited
doneill@aw1group.com
+ 61 457 598 993

Dannika Warburton
Principal
Investability
info@investability.com.au
+61 401 094 261

Competent Person Statement – Mineral Resource

The information in this announcement that relates to the estimate of Mineral Resources for the West Desert Deposit is based upon, and fairly represents, information and supporting documentation compiled by Mr Allan Schappert, a Competent Person, who is a Member of the American Institute of Professional Geologists (AIPG).

Mr Schappert is a Principal Consultant at Stantec and an independent consultant engaged by American West Metals Limited for the Mineral Resource Estimate and has 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 JORC Code).

The Company confirms that it is not aware of any new information or data that materially affects the results included in the original market announcement referred to in this announcement and that no material change in the results has occurred. All material assumptions and technical parameters under the Mineral Resource estimates in the original market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's 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/>:

- 13 December 2023 - 23.8 Million Ounces of Indium Defined at West Desert



Forward looking statements

Information included in this release constitutes forward-looking statements. Often, but not always, forward looking statements can generally be identified using 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 an Australian clean energy mining company focused on growth through the discovery and development of major base metal mineral deposits in Tier 1 jurisdictions of North America. Our strategy is focused on developing mines that have a low-footprint and support the global energy transformation.

Our portfolio of copper and zinc projects in Utah and Canada 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.

