American West Metals Limited

ABN: 75 645 960 550

2021 ANNUAL REPORT

DIRECTORS REPORT

The Directors' present their report, together with the financial statements, on the Company from the date of incorporation, being 17 November 2020 to 30 June 2021 (the period).

Directors

The following persons were Directors of the Company during the whole of the period and up to the date of this report, unless otherwise stated:

Director	Date of Appointment	Date of Retirement
John Prineas	17 November 2020	Not Applicable
Dave O'Neill	17 November 2020	Not Applicable
Michael Anderson	28 May 2021	Not Applicable
Sarah Shipway	17 November 2020	28 May 2021*

*Sarah Shipway remains as Company Secretary

Principal Activities

The principal activities of the Group during the period were entering into option agreements to acquire an interest in tenements relating to certain mining exploration and development projects.

No matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Dividends

No dividends have been declared since the start of the period.

Review of Operations

The loss of the Group for the period after providing for income tax amounted to $1,818,438, the income tax loss includes $1,369,211 incurred in relation to the payment of option tenement payments.

The Company's net assets at 30 June 2021 were $1,232,851.

Significant changes in the state of affairs

During the period the Company incorporated West Desert Pty Ltd, Aston Bay Pty Ltd, Tornado Metals Ltd in Australia, West Desert Metals Inc and Warrior Metals Inc in Utah and Tornado Metals Ltd in Canada.

During the period the Group entered into an option agreement with InZinc Mining Ltd and NPR (US), INC., to acquire the West Desert Project in Utah, USA.

During the period the Group entered into an option agreement with Aston Bay Holdings Ltd whereby the Group will have the ability to acquire an 80% interest in the Storm/Seal Project in Nunavut, Canada.

During the period the Group entered into an option agreement with Bronco Creek Explorion, Inc to acquire the Copper Warrior Project, in Utah, USA.

Other than the above there were no significant changes in the state of affairs of the Group during the period.

Matters subsequent to the end of the financial period

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has not significantly impacted the entity up to 30 June 2021, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation continues to develop and is dependent on measures by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that me be provided.

Except for the above no other matters or circumstances have arisen since the end of the financial period which significantly affected or could significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

Likely developments and expected results of operations

Information on likely developments in the operations of the Group and the expected results of operations have not been included in this report because the Directors believe it would be likely to result in unreasonable prejudice to the company. This view is taken by the Directors as the company's assets have only very recently been acquired.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Shares and Share Options

No options over issued shares or interests in the Group were granted during the period or since the end of the financial period and there were no options outstanding at the date of this report.

Indemnity and insurance of officers

The Group has indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the period, the Group paid a premium in respect of a contract to insure the directors and executives of the Group against a liability to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Proceedings on behalf of the Group

No person has applied for leave of Court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Group was not a party to any such proceedings during the period.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.

Signed in accordance with a resolution of the Board of Directors:

John Prineas
Director
American West Metals Limited
Dated: 14 July 2021

Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

38 Station Street
Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

DECLARATION OF INDEPENDENCE BY JARRAD PRUE TO THE DIRECTORS OF AMERICAN WEST METALS LIMITED

As lead auditor of American West Metals Limited for the period ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of American West Metals Limited and the entities it controlled during the period.

Jarrad Prue

Director

BDO Audit (WA) Pty Ltd

Perth, 14 July 2021

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2021

Australian Dollar ($)	Note	30 JUNE 2021 $
REVENUE		**-**
		-
EXPENDITURE		
Administration expenses	3	(67,749)
Exploration expenditure written off	4	(1,749,488)
Finance expenses	5	(1,201)
LOSS BEFORE INCOME TAX		**(1,818,438)**
Income Tax	6(a)	-
NET LOSS ATTRIBUTABLE TO MEMBERS OF THE COMPANY		**(1,818,438)**
Other comprehensive income		
Items that may be reclassified to profit of loss:		
Unrealised foreign exchange on translation		(3,712)
TOTAL COMPREHENSIVE INCOME (LOSS)		**(1,822,150)**
TOTAL COMPREHENSIVE (LOSS) ATTRIBUTABLE TO MEMBERS OF THE COMPANY		**(1,822,150)**
LOSS PER SHARE		
Basic and diluted – cents per share	14	(5.95)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

Australian Dollar ($)	Note	30 JUNE 2021 $
CURRENT ASSETS		
Cash and cash equivalents	15(a)	1,094,265
Trade and other receivables	9(a)	201,970
Other assets	9(b)	24,529
TOTAL CURRENT ASSETS		**1,320,764**
TOTAL ASSETS		**1,320,764**
CURRENT LIABILITIES		
Trade and other payables	10	87,913
TOTAL CURRENT LIABILITIES		**87,913**
TOTAL LIABILITIES		**87,913**
NET ASSETS		**1,232,851**
EQUITY		
Issued capital	12	3,055,001
Foreign exchange reserve		(3,712)
Accumulated losses	13	(1,818,438)
TOTAL EQUITY		**1,232,851**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2021

Australian Dollar	SHARE CAPITAL $	FOREIGN EXCHANGE RESERVE $	ACCUMULATED LOSSES $	TOTAL EQUITY $
BALANCE AT 17 NOVEMBER 2020	**-**	**-**	**-**	**-**
Loss for the period	-	(3,712)	(1,818,438)	(1,822,150)
Other comprehensive income	-	-	-	-
Total comprehensive loss	-	(3,712)	(1,818,438)	(1,822,150)
Shares issued during the period	3,055,001	-	-	3,055,001
BALANCE AT 30 JUNE 2021	**3,055,001**	**(3,712)**	**(1,818,438)**	**1,232,851**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying not

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2021

Australian Dollar ($)	Note	30 JUNE 2021 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Expenditure on mining interests		(1,669,404)
Payments to suppliers and employees		(69,449)
Other – GST		(11,970)
Net cash outflow from operating activities	15(b)	**(1,750,823)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of exploration tenements		-
Net cash outflow from investing activities		**-**
CASH FLOW FROM FINANCING ACTIVITIES		
Issue of shares		2,795,000
Loan facility received		1,645,000
Interest on loan and facilities		(1,201)
Repayment of loan facility		(1,589,999)
Net cash flows from financing activities		**2,848,800**
Net increase in cash and cash equivalents		**1,097,977**
Cash and cash equivalents at the beginning of the period		-
Effect of changes in exchange rates on cash		(3,712)
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	15(a)	**1,094,265**

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

1. CORPORATE INFORMATION

The financial report of American West Metals Limited ("American West" or "the Company") for the period ended 30 June 2021 was authorised for issue in accordance with a resolution of the directors on 14 July 2021.

American West is a Company limited by shares, incorporated in Australia on 17 November 2020. The consolidated financial statements of the Company for the period ended 30 June 2021 comprise of the Company and its subsidiaries together referred to as the Group or consolidated entity.

The nature of the operations and principal activity of the Group is mineral exploration.

2. SUMMARY OR SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards ("AIFRS"). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards ("IFRS").

(b) Basis of Preparation of the Financial Report

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, Accounting Standards and Interpretations and complies with other requirements of the law. The financial report has also been prepared on a historical cost basis.

The financial report is presented in Australian dollars. The following accounting policies have been approved by the consolidated entity, except as noted below.

Going Concern

The financial report has been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business.

As disclosed in the financial report, the Company achieved a net loss of $1,818,438 and net operating cash outflows of $1,754,535 for the period ended 30 June 2021. As at 30 June 2021, the Company has cash of $1,094,265 and net current liabilities of $87,913.

The ability of the Company to continue as a going concern is principally dependent upon one or more of the following:

- the ability of the Company to raise capital as and when necessary;
- completion of an Initial Public Offering (IPO) of its securities during 2021/2022. This process is advanced with the Company having appointed required consultants and with the due diligence process having commenced; and / or
- the successful exploration and subsequent exploitation of the Company's tenements.

These conditions give rise to material uncertainty which may cast significant doubt over the Company's ability to continue as a going concern.

The Directors believe that the going concern basis of preparation is appropriate due to the following reasons:

- the successful pre-IPO capital raising completed during FY2021; and
- the Directors believe there is sufficient cash available for the Company to continue operating until it can raise sufficient further capital to fund its ongoing activities.

Should the Company be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial report. This financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts or classification of liabilities and appropriate disclosures that may be necessary should the Company be unable to continue as a going concern.

(c) Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent American West and all of the subsidiaries (including any structured entities). Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 19.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between Group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as “non controlling interests". The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or at the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

(d) Significant accounting estimates and judgements

The carrying amount of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Deferred taxation

The potential deferred tax asset arising from the tax losses and temporary differences have not been recognised as an asset because recovery of the tax losses is not yet considered probable (refer note 6).

Exploration costs

The Group expenses all exploration and evaluation expenditure and acquisition costs incurred.

Subsidiary Loans

Provision has been made for all unsecured loans with subsidiaries as it is uncertain if and when the loans will be recovered. All inter-company loans have been eliminated on consolidation.

(e) Employee benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with entitlements arising from wages and salaries and annual leave which will be settled after one year, have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Other employee benefits payable later than one year have been measured at the present value of the estimated cash outflows to be made to those benefits.

Contributions are made by the Group to employee superannuation funds and are charged as expenses when incurred.

(f) Exploration and evaluation expenditure

Exploration expenditure on areas of interest are expensed as incurred. Costs of acquisition will be expensed as tenement acquisition costs where right of tenure of the area of interest is current and they are expected to be recouped through sale or successful development and exploitation of the area of interest or, where exploration and evaluation activities in the area of interest have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

(g) Income Tax

Current income tax refunded/(expensed) charged to profit or loss is tax refundable/(payable). Those amounts recognised are expected to be recovered from/(paid to) the relevant taxation authority.

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

- except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither that accounting profit nor taxable profit or loss; and,
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all the deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised:

- except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and,

- in respect of deductible temporary differences with investments in subsidiaries, associates and interest in joint ventures, deferred tax assets in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax is reviewed at each balance sheet date and reduced to the extent that is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income taxes relating to items recognised directly in equity are not in the income statement.

(h) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (“ATO”). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the consolidated Statement of Financial Position are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Consolidated Statement of Financial Position.

Cash Flows are included in the Consolidated Statement of Cash Flows net of GST. The GST components of cash flows arising from investing and financial activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(i) Cash and cash equivalents

Cash and short-term deposits in the consolidated Statement of Financial Position comprise of cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the consolidated Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(j) Contributed equity

Ordinary shares and options are classified as contributed equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of GST, from the proceeds.

(k) Trade Receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

(l) Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability. Trade and other payables are initially measured at fair value and subsequently measured at amortised costs using the effective interest method.

(m) Provisions

Provisions are recognised when the company has a present (legal or constructive) obligation as a result of a past event, it is probable the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

(n) Adoption of new and revised standards

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

(o) Comparative information

The Company was incorporated on 17 November 2020 and as such, there is no comparative information.

3. ADMINISTRATION EXPENSES

Administration expenses include the following expenses:

	CONSOLIDATED 30 JUNE 2021 $
Employee benefit expense	
Wages and salaries	6,000
Defined contribution superannuation expense	570
	6,570
Other administration costs	
Accounting and administration fees	3,017
Audit expenses	11,000
Establishment fees	2,584
Insurance	16,217
Legal expenses	7,280
Presentations and seminars	16,865
Other	4,216
	61,179
Total administration expenses	**67,749**

4. EXPLORATION EXPENDITURE

	CONSOLIDATED 30 JUNE 2021 $
Exploration expenditure	380,277
Tenement acquisition costs	1,369,211
	1,749,488

5. FINANCE EXPENSE

	CONSOLIDATED 30 JUNE 2021 $
Interest expense	1,201
	1,201

Refer to Note 11 for details in relation to the facility.

6. INCOME TAX

(a) Prima facie income tax benefit at 30% on loss from ordinary activities is reconciled to the income tax provided in the financial statements

	CONSOLIDATED 30 JUNE 2021 $
Loss before income tax	(1,818,438)
Income tax calculated at 30%	(545,531)
Tax effect of;-	
Sundry – temporary differences	(13,824)
Future income tax benefit not brought to account	559,355
Income tax benefit	**-**

(b) Deferred tax assets

The potential deferred tax asset arising from the tax losses and temporary differences have not been recognised as an asset because recovery of tax losses is not yet probable.

	CONSOLIDATED 30 JUNE 2021 $
Accumulated tax losses (i)	(545,531)
Provisions - net of prepayments	(13,824)
Section 40-880 deduction	-
Unrecognised deferred tax assets relating to the above temporary differences	**(559,355)**

The benefits will only be obtained if:

(i) The Group derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deduction for the losses to be realised;

(ii) The Group continues to comply with the conditions in deductibility imposed by the Law; and
(iii) No change in tax legislation adversely affect the Group in realising the benefits from the deductions or the losses.

7. AUDITOR'S REMUNERATION

	CONSOLIDATED 30 JUNE 2021 $
Auditing and review of the Group's financial statements	11,000
	11,000

8. KEY MANAGEMENT PERSONNEL

(a) Details of key management personnel

Directors
John Prineas
Dave O'Neill
Michael Anderson

Executive
Dave O'Neill – Managing Director

(b) Compensation of key management personnel

	CONSOLIDATED 30 JUNE 2021 $
Salaries and fees	6,000
Post employment benefits – superannuation	570
	6,570

(c) Other transactions with key management personnel

The Company entered into a Loan Facility with shareholder/director John Prineas a related party of the Company, pursuant to which the Company was provided a loan facility of $1,645,000 (Loan Facility) from Mr Prineas or entities or entities controlled by him. The first draw down of funds under the Loan Facility was made on 17 November 2020.

The Loan Facility was unsecured and had the following key terms:

- loan facility amount of $1,645,000, of which $330,000 was loaned from Mr Prineas superannuation fund. An interest rate of 4.52% p.a. was payable under the superannuation fund facility was 4.52% p.a. and no other interest was payable under the balance of the loan facility.
- there were no loan covenants.

The interest was paid by the Company in cash.

From the loan $55,001 was used to acquire fully paid ordinary shares in the Company.

On 24 June 2021 the Company repaid the remainder of the loan in cash being $1,589,999.

9. CURRENT ASSETS

(a) Trade and Other Receivables

	CONSOLIDATED 30 JUNE 2021 $
Current	201,970
	201,970

Other receivables include amounts outstanding for goods and services tax (GST) of $11,970 and funds for 1,900,000 fully paid ordinary shares in American West, totalling $190,000.

GST amounts are non-interest bearing and have repayment terms applicable under the relevant government authorities. No trade and other receivables are impaired or past due.

(b) Other Assets

	CONSOLIDATED 30 JUNE 2021 $
Prepayments	24,529
	24,529

10. CURRENT LIABILITIES

	CONSOLIDATED 30 JUNE 2021 $
Trade and other payables	66,932
Other accrued expenses	20,981
	87,913

Trade payables are unsecured and are usually paid within 30 days of recognition. The carrying amounts of trade and other payables are considered to be the same as their fair values due to their short-term nature.

11. BORROWINGS

	CONSOLIDATED 30 JUNE 2021 $
Loan Facility	
At the beginning of the period	-
Credit facility drawn down	1,645,000
Payment for fully paid ordinary shares	(55,001)
Repayment of credit facility	(1,589,999)
	-
Interest Accrued	
At the beginning of the period	-
Accrued for the period	1,201
Repayment during the period	(1,201)
	-
Total Borrowings	**-**

Unsecured Loan Facility

The Company entered into a Loan Facility with shareholder/director John Prineas a related party of the Company. Mr Prineas, and entities controlled by him provided a loan facility of $1,645,000 to the Company (Loan Facility). The first draw down of funds under the Loan Facility was made on 17 November 2020.

The Loan Facility was unsecured and had the following key terms:

- loan facility amount of $1,645,000, of which $330,000 was loaned from Mr Prineas superannuation fund. An interest rate of 4.52% p.a. was payable under the superannuation fund facility was 4.52% p.a. and no other interest was payable under the balance of the loan facility.
- there were no loan covenants.

The interest was paid by the Company in cash.

From the loan $55,001 was used to acquire fully paid ordinary shares in the Company.

On 24 June 2021 the Company repaid the remainder of the loan in cash being $1,589,999.

12. ISSUED CAPITAL

Ordinary Shares

The Company is authorised to issue an unlimited number of ordinary shares. All issued shares are fully paid and have no par value. Changes in ordinary shares for the period ended 30 June 2021 are as follows:

	Number of Shares	**Amount $**
As at 17 November 2020	-	-
Transactions during the period		
Shares issued		
17 November 2020 issue price $1.00	1	1
14 December 2020 issue price $0.001	54,999,999	55,000
24 June 2020 issue price of $0.10	29,850,000	2,985,000
Issue of shares to extinguish liability (i)	150,000	15,000
	85,000,000	**3,055,001**

(i) 150,000 shares were issued to a supplier of the Company in relation to services rendered to the Company.

13. ACCUMULATED LOSSES

	CONSOLIDATED 30 JUNE 2021 $
Accumulated losses at 17 November 2020	-
Loss for the period	(1,818,438)
Accumulated losses at the end of the period	**(1,818,438)**

14. LOSS PER SHARE

	CONSOLIDATED 30 JUNE 2021 $
Basic loss per share after income tax attributable to members of the Company (cents per share)	(5.95)
Diluted loss per share (cents per share)	**(5.95)**
	30 JUNE 2021 NUMBER
Weighted average number of shares on issue during the period used in the calculation of basic earnings per share	30,561,644
Weighted average number of ordinary shares for diluted earnings per share	**30,561,644**

15. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Reconciliation of cash and cash equivalents

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash at bank and in hand and short-term deposits with an original maturity of three months or less, net of outstanding bank overdrafts.

	CONSOLIDATED 30 JUNE 2021 $
Current – cash at bank	1,094,265
	1,094,265

(b) Reconciliation of loss after tax to net cash flows from operations

	CONSOLIDATED 30 JUNE 2021 $
Loss after income tax	(1,818,438)
Share based payments	15,000
Finance expenses	1,201
(Increase)/decrease in assets	
Trade and other receivables	(11,970)
Other assets	(24,529)
Increase/(decrease) in liabilities	
Trade and other payables	87,913
	(1,750,823)

16. COMMITMENTS AND CONTINGENCIES

(a) Mineral exploration commitment

In order to maintain the tenements under the option agreements and to acquire tenements under the option agreement, the following expenditure is required:

	2021
Not later than one year	5,396,707
Later than one year but not later than two years	3,292,562
Later than two years but not later than five years	5,405,542
	14,094,811

(b) Contingent liabilities and commitments

The Group fully owns five subsidiaries, the main activities of which are exploration. The effect of these subsidiaries is to make the American West owned subsidiaries contractually responsible for any transactions undertake by the subsidiary. The parent entity has provided certain guarantees to third parties whereby certain liabilities of the subsidiary are guaranteed.

American West and West Desert Metals, Inc. on 15 April 2021 entered into an option agreement with InZinc Mining Ltd and NPR (US), INC., ("InZinc Option") to acquire the West Desert Project.

Under the InZinc Option the Company was required to pay an upfront cash payment of US$500,000, the payment to InZinc was made on 1 June 2021.

The second instalment of CA$1,000,000 is due upon the earlier of 30 days from the IPO or 12 months from signing the InZinc Option. A final instalment of US$1,500,000 cash is payable upon earlier of PFS or 24 months from signing the InZinc Option.

The Company is required to issue CA$2,500,000 fully paid ordinary shares in American West at the IPO price.

Under the InZinc Option the royalty due to InZinc would be 50% of the revenue from Induim sales (on NSR basis) and 1.5% NSR and CA$1,000,000 cash payment on development to Osisko.

Further to a Strategic Advisory Service Agreement entered into on 15 November 2020 to pay a success fee on the acquisition of the West Desert Project. Under the agreement a US$60,000 cash payment is due on completion of the IPO and 1,300,000 fully paid ordinary shares to be issued in the IPO.

On 9 March 2021 Tornado Metals Ltd entered into an option agreement with Aston Bay Holdings Ltd. ("Aston Option") whereby Tornado Metals has the ability to acquire an 80% interest in the Storm/Seal Project. Under the Aston Option the Company is require to pay an upfront fee of CA$500,000, the upfront fee was paid on 4 May 2021.

Under the Aston Option the Company is require to expend CA$2,000,000 on the project in the first two years of signing the option agreement. The second stage would require the Company expend CA$8,000,000 over the next five years. Once the project expenditure is met there will be pro-rata contributions required thereafter.

Aston Bay Holdings has a 2% NSR on the Storm/Seal Project, with The Company having the right to buy back 50% of this NSR for CA$5,000,000.

Warrior Metals Inc., on 14 April 2021 entered in an exploration and option agreement with Bronco Creek Exploration, Inc to acquire the Copper Warrior Project (“Bronco Agreement”). Under the Bronco Agreement, the Company was required to pay an upfront fee of US$50,000, the upfront fee was paid on 20 April 2021.

Under the Bronco Agreement the Company is require to expend US$500,000 on the Copper Warrior Project over three years from signing. On exercise of the option the Company will be required to issue US$500,000 fully paid ordinary shares in American West to Bronco Creek Exploration, Inc at the market price.

Warrior Metals Inc., is required to pay an advance annual royalty to Bronco Creek Exploration until commercial production. A payment of US$5,000 is due annually for the first 3 years. From year 4 the payment due is US$10,000 with an escalation fee of US$5,000 per month. Warrior Metals Inc, is also required to pay a 2% NSR to EMX upon commercial production.

The Company has entered into a mandate with Canaccord Genuity (Australia) Limited to act as Lead Manager for an initial public offering made to wholesale and retail investors with application to be made for the Company to be listed on the ASX and for the Shares to be listed for quotation on the ASX.

Under the mandate Canaccord will receive the following fees in relation to the IPO:

(a) a lead manager fee of 2% of the gross proceeds of the IPO;

(b) a capital raising fee of 3% of the gross proceeds of the IPO;

(c) the number of Options equal to:

  (i) 2% of the fully diluted shares on issue following the IPO where at least $15 million is raised under the IPO; or

  (ii) 3% of the fully diluted shares on issue following the IPO where at least $20 million is raised under the IPO,

exercisable at a 50% premium to the IPO price within 3 years from the date the Company shares are admitted to the Official List (the Lead Manager Options).

17. SEGMENT REPORTING

For management purposes, the Group is organised into one main operating segment, which involves the exploration of minerals in Canada and United States.

All of the Group’s activities are interrelated, and discrete financial information is reported to the Board as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Group as one segment.

The financial results from this segment are equivalent to the financial statements of the Group as a whole.

The accounting policies applied for internal reporting purposes are consistent with those applied in the preparation of these financial statements.

18. EVENTS SUBSEQUENT TO BALANCE DATE

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has not significantly impacted the entity up to 30 June 2021, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation continues to develop and is dependent on measures by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that me be provided.

Except for the above no other matters or circumstances have arisen since the end of the financial period which significantly affected or could significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

19. RELATED PARTIES

The Group has 100% owned subsidiaries West Desert Pty Ltd, Aston Bay Pty Ltd, West Desert Metals Inc, Warrior Metals Inc and Tornado Metals Ltd. American West is required to make all the financial and operating decisions of these subsidiaries.

Subsidiaries of St George Mining Limited	Country of Incorporation	Percentage Owned % 30 June 2021
West Desert Pty Ltd	Australia	100%
Aston Bay Pty Ltd	Australia	100%
West Desert Metals Inc	United States	100%
Warrior Metals Inc	United States	100%
Tornado Metals Ltd	Canada	100%

At 30 June 2021 balances due from the subsidiaries were:

	30 JUNE 2021 $	30 JUNE 2019 $
West Desert Pty Ltd	767,082	12,305,971
Aston Bay Pty Ltd	-	22,028,224
West Desert Metals Inc	-	-
Warrior Metals Inc	76,466	
Tornado Metals Ltd	831,680	
	1,675,228	**34,334,195**

These amounts comprise of funds provided by the parent company for exploration activities. The amounts were fully provided for as at 30 June 2021.

Other transactions with related parties

The Company entered into a Loan Facility with shareholder/director John Prineas a related party of the Company, pursuant to which the Company was provided a loan facility of $1,645,000 (Loan Facility) from Mr Prineas or entities controlled by him. The first draw down of funds under the Loan Facility was made on 17 November 2020.

The Loan Facility was unsecured and had the following key terms:

- loan facility amount of $1,645,000, of which $330,000 was loaned from Mr Prineas superannuation fund. An interest rate of 4.52% p.a. was payable under the superannuation fund facility was 4.52% p.a. and no other interest was payable under the balance of the loan facility.
- there were no loan covenants.

The interest was paid by the Company in cash.

From the loan $55,001 was used to acquire fully paid ordinary shares in the Company.

On 24 June 2021 the Company repaid the remainder of the loan in cash being $1,589,999.

DIRECTORS' DECLARATION

In the opinion of the Directors of American West Metals Limited ("the Company")

(a) The financial statements and the notes and the additional disclosures included in the directors' report designated as audited of the Group are in accordance with the *Corporations Act 2001*, including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2021 and of its performance for the period ended that date; and

(ii) Complying with Accounting Standards and Corporations Regulations 2001, and:

(b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

(c) The financial statements and notes comply with International Financial Reporting Standards as disclosed in note 2.

This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the *Corporations Act 2001* for the financial period ended 30 June 2021.

Signed in accordance with a resolution of the Directors made pursuant to section 295(5) of the *Corporations Act 2001.*

On behalf of the Board

John Prineas
Director
American West Metals Limited
Dated: 14 July 2021

Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

38 Station Street
Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

INDEPENDENT AUDITOR'S REPORT

To the members of American West Metals Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of American West Metals Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the period then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of American West Metals Limited, is in accordance with the *Corporations Act 2001*, including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the period ended on that date; and

(ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 1(b) in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and therefore the group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Directors' report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at:

http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf

This description forms part of our auditor’s report.

BDO Audit (WA) Pty Ltd

BDO

Jarrad Prue

Director

Perth, 14 July 2021