

NEW WORLD RESOURCES (NWC)

ANTLER: A WALL HANGER AT 1.5 MTPA

Analyst

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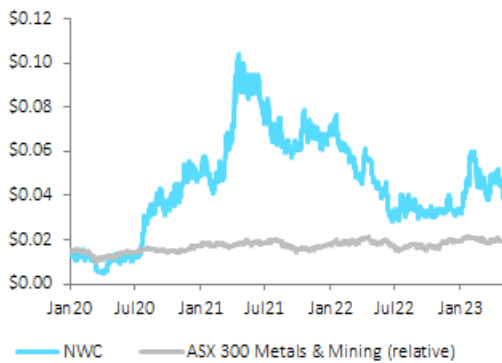
Date

8 May 2023

BUY

SHARE PRICE	TARGET PRICE	IMPLIED RETURN
\$0.04	\$0.25	553%

SHARE PRICE CHART



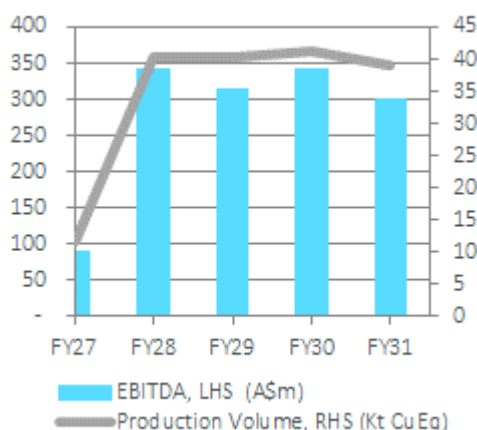
COMPANY DATA & RATIOS

Share Price (\$ per share)	0.04
Risk Adjusted NAV (\$ per share)	0.25
Implied Return (%)	553%
Enterprise Value (\$m)	\$80
Diluted MCap (\$m)	\$85
Diluted Shares (m)	2,191
Avg Daily Value (\$m)	0.27
Free Float (%)	100%
GICS	Materials
Commodity	Cu, Zn, Pb, Ag, Au

MAJOR SHAREHOLDERS

Paradise Investment Management	8.0%
Ponderosa Investments	5.6%
Board & Management	5.9%

ANTLER PRODUCTION & COST PROFILE



ENHANCED SCOPING STUDY: BETTER THAN EXPECTED

New World Resources has updated the Scoping Study for the Antler Copper Project (incl. the November 2022 MRE - 11.4Mt at 4.1% CuEq) and other enhancements. **As expected, the results illustrate Antler has compelling project economics and is shaping up to become a very attractive mine.** Key updates include an increase in processing plant capacity (1.5Mt vs 1.2Mt) and larger scale of operations (1.3-1.5Mtpa vs 1.0Mtpa) representing a 7% higher annual production profile (32.7ktpa CuEq) over a 30% longer mine life (13 years) under a marginally lower cost profile (AISC US\$1.77/lb CuEq). The result, after factoring a capex increase of 25% (US\$250m vs US\$201m), is a 59% higher NPV (+A\$1.2Bn, pre-tax) which compares favourably to NWC's market capitalisation. The development strategy for Antler is focused on minimising surface impact (underground mine, dry stack tailings, tailings for underground fill) and developing above ground infrastructure on private land to streamline the approval process. The plant site has been re-located to the adjacent property (optioned private land) to accommodate a larger footprint and provide expansion flexibility, subject to further exploration success. New World has commenced a Pre-Feasibility Study and is fast tracking detailed mine design and schedule, paste-fill and tailings management, engineering and construction designs for the processing plant and base line environmental, hydrogeological and geochemical studies to submit robust permit applications.

EXPLORATION UPSIDE REMAINS UNTAPPED

In addition to Antler (open at depth), there are multiple attractive exploration targets raring to be drilled, along strike to the North-East (Roadrunner Project) and within trucking distance (75km from Antler) at the Javelina Project (proven VMS district). While many of these targets are on BLM land, drilling should resume in the September quarter at Roadrunner - the potential discovery of an Antler look alike would make the wait well worth it. **Thinking about what an Antler "look alike" means: New World has raised \$50m since acquisition to drill and scope out Antler as a project with an NPV of +\$1Bn... A "look alike" could more than double the value of a development at <5% discovery cost.**

SITE VISIT NOTES

In April 2023, BOEQ attended a site visit to gain a deeper understanding of the project's location, topography, geology, access to infrastructure and permitting framework. Key takeaways: (i) good set up at Kingman's local office, (ii) good mine site/ infrastructure access via road to Cavalliere Ranch (optioned by NWC), (iii) drilling core confirms high grade, consistent nature of the orebody and competent hanging wall and footwall for straight forward/low cost underground development, (iv) location on patented claims and opposite side of the mountain from wilderness points to green light re approvals process (v) bullish re potential for top exploration targets to become discoveries.

NEAR TERM CATALYSTS

(i) drilling water well on private land (ii) exploration drilling at Roadrunner, Javelina and potentially other targets (iii) submission of key permit/approvals applications (iv) completion of PFS.

RETAIN BUY RATING AND PRICE TARGET

We retain our Buy recommendation and target price of \$0.25 per share, an implied premium of 553%. After updating our financial model (previously \$220m capex, 1.2Mtpa mine and plant operation, 12-year mine life) we note similar project economics for the Enhanced Scoping Study. We retain a 50% risking factor and expect a key de-risking milestone post PFS completion.

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UPDATED SCOPING STUDY

BACKGROUND

New World Resources Limited (NWC:ASX) is a A\$85M market cap copper/zinc exploration and development company operating in Arizona, USA. It has 100% of the Antler Copper Project (including privately owned land) and is seeking to fast-track re-start of this high-grade polymetallic mine.

Antler is located in a sparsely populated region of NW Arizona, approximately 200km SE of Las Vegas and 350km NW of Phoenix. Project access is excellent with direct access to the historical mine site via 15km of unsealed road that extends east from the town of Yucca located on US interstate 40.

It is held under private land (relevant for approvals and royalties) and is situated close to existing infrastructure, including:

- 15km from rail and an interstate highway
- Mains power to within 700m of the historic mine headframe
- 55km by road to Kingman (population ~30,000 where most of the Project team is based)

The high grade and consistent quality of the deposit combined with its favourable location means that Antler will be low cost to build and operate.

FIGURE 1: LOCATION OF THE ANTLER COPPER PROJECT



Source: Company

The Antler Deposit outcrops over 750m of strike within two patented mining claims. New World owns 100% interest in these two patented claims (that cover a total of 40 acres) – where both the surface rights and the mineral rights are privately owned. It also holds a 100% interest in an additional 240 unpatented mining claims on adjoining federal lands (covering 4,050 acres), where mineral exploration and mining is overseen by the Bureau of Land Management (BLM). New World has also entered into an option agreement that provides it the right to purchase the surface rights covering 838.9 acres of land, including 320 acres that are immediately to the south of and adjoin the patented mining claims.

ENHANCED SCOPING STUDY

In July 2022, New World Resources released an initial scoping study, based on Antler's Maiden Resource (7.7Mt @ 3.9% CuEq, at 1% CuEq cut off), which confirmed the potential for a low capex, low cost, low risk, profitable mine. The initial development profile was based on a conventional underground, 1Mtpa mining and processing operation with production of 3 concentrates (Cu-Au, Zn and Pb-Ag) over a 10-year mine life and supported by existing near infrastructure.

TABLE 1: MAIDEN RESOURCE (BASIS FOR JUNE 2022 SCOPING STUDY) – 7.7MT @3.9% CU EQ

Classification	Tonnes	Cu%	Zn%	Pb%	Ag g/t	Au g/t
Indicated	5,734,153	2.15	5.31	0.86	31.55	0.22
Inferred	1,989,127	2.47	5.35	1.01	20.87	0.08
Total	7,723,280	2.23	5.32	0.90	28.80	0.18

Source: Company

In November 2022, New World Resources released a nearly 50% larger Mineral Resource Estimate of 11.4Mt @ 4.1% CuEq, at 1% CuEq cut off. The Indicated Resource represents 82% of the updated MRE.

TABLE 2: NOV 2022 RESOURCE (BASIS FOR ENHANCED SCOPING STUDY) – 11.4MT @4.2 CU EQ

Classification	Tonnes	Cu%	Zn%	Pb%	Ag g/t	Au g/t
Indicated	9,063,649	2.25	5.11	0.90	35.94	0.40
Inferred	2,371,673	1.55	4.46	0.85	21.32	0.17
Total	11,435,323	2.10	4.97	0.89	32.9	0.36

Source: Company

New World Resources has now completed an enhanced scoping study, based on the November 2022 MRE and a larger, although conceptually similar, underground mine and processing plant operation, resulting in the comparable NPV (7%, pre-tax, same basket price) increasing 59%. This increase is materially higher vs the MRE increase (44% higher contained metal) due to:

- Lower capex increase (25%) vs higher mine and plant operating scale (+30%) and mine life (30%)
- Lower cash costs (C1 -14%) and higher sustaining capex makes AISCs marginally lower (-3%)
- Resource conversion to mining inventory remains high (circa 93%) due to very high-grades and excellent lateral and vertical continuity.

TABLE 3: 2022 VS 2023 SCOPING STUDIES

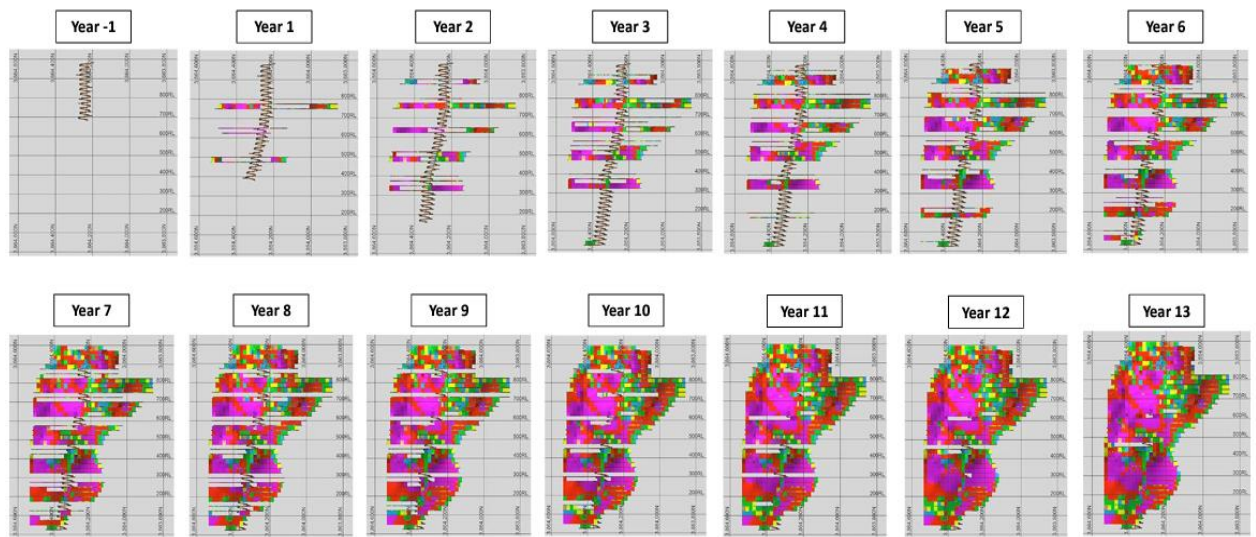
Parameter	2022 Scoping Study	2023 Scoping Study	Variation
Production Profile	9.3Mt @ 1Mtpa	15.4Mt @ 1.3-1.5Mtpa	+30% p.a.
Mine life	10	13	30%
Ave. Diluted Head Grade	3.3% CuEq	3.0%CuEq	-10%
Total Production	271,240tCu-equivalent	381,400tCu-equivalent	+41%
Steady State Ave. Annual Production	30,600tCuEq over 8 years	32,700tCuEq over 10 years	+7%
Revenue	US\$2.0Bn, A\$2.85Bn	US\$3.0Bn, A\$4.3Bn	+50%
FCF, pre tax	US\$952m, A\$1.36bn	US\$1.5bn, A\$2.15bn	+58%
Annual Ave FCF, pre tax	US\$135m over 8 years	US\$153m over 10 years	+13%, +25%
Pre-production Capex	US\$201m, US\$36.5m cont.	US\$252m, US\$44.2m cont.	+25%
Sustaining Capex	US\$29.9m	US\$70.2m	+133%
C1 Costs	US\$106.76/ore tonne	US\$91.95/tonne ore	-14%
	Negative US\$0.31/lb Cu (net of by-products)	Negative US\$0.50/lb Cu (net of by-products)	-61%
AISCs	US\$112.19/ore-tonne	US\$96.49/ore-tonne	-14%
	US\$1.83/lbCu-Eq	US\$1.77/lbCu-Eq	-3.3%
NPV @ 7%, pre tax	US\$525m A\$783.6m	US\$835m A\$1,244.8m	+59%
IRR, pre tax	42%	40%	-4.3%

Source: Company

The enhanced scoping study of Antler is based on:

- Minimum surface impact, including:
 - Underground mining only
 - Dry stack tailings
 - 50% of tailings to be used as underground paste fill
 - Mill at mine site and all surface infrastructure (except water pipeline) on private land
- Single corkscrew decline (5.5m x 5.2m)
- The decline, together with all mine development, to be installed on the footwall side of the Antler deposit, in ground that is more competent than the hanging wall.
- Long hole stoping with 25m sub-levels and 4.2m x 4.5m ore drives (stopes to be mined in a longitudinal sequence retreating from hanging wall to footwall)

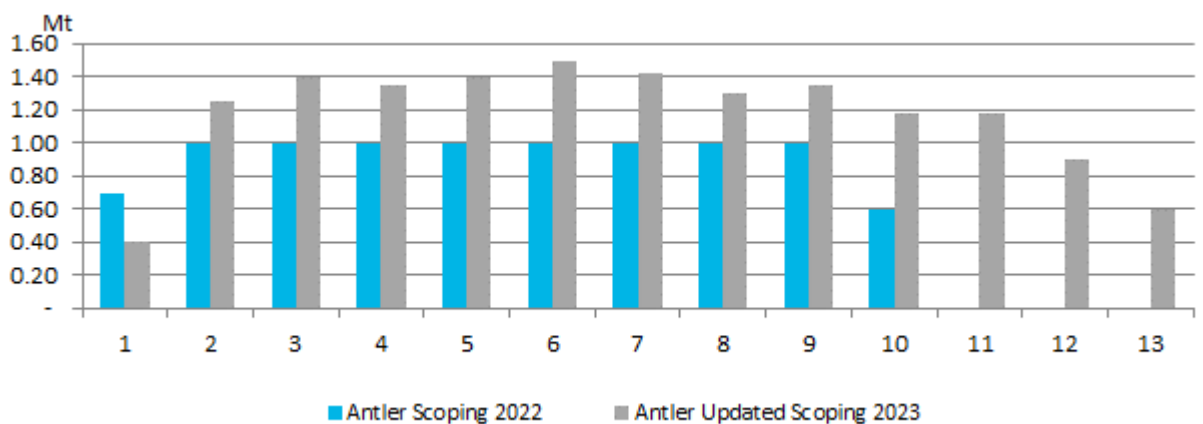
FIGURE 2: MINE DEVELOPMENT BY YEAR



Source: Company

- 15.4Mt tonnes mined at a rate of 1.3-1.5 Mtpa for 13 years

FIGURE 3: UPDATED PRODUCTION PROFILE



Source: Company, Blue Ocean Equities

- Average Diluted Head Grade of 1.42% Cu, 3.32% Zn, 0.59% Pb, 22.1 g/t Ag and 0.24 g/t Au (3.0% Cu-equivalent)

DEVELOPMENT TIMETABLE

It is envisaged that mine permit application and permit approvals will be the critical path to development of Antler. In parallel to that process, pre and feasibility studies are expected to be completed by Q4 CY23 and Q4 CY24, respectively.

FIGURE 5: TIMEFRAME TO DEVELOPMENT

Work Program	2021	2022				2023				2024			
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Exploration Drilling - Resource Expansion													
JORC Resource/Reserve Statement													
Scoping Study (based on Nov 2021 JORC Resource)													
Updated Scoping Study (based on 2022 JORC Resource)													
Pre-Feasibility Study													
Mine Permit Application and Permit Approvals													
Definitive Feasibility Study													
Resource-to-Reserve Drilling													
Metallurgical Testwork													
Pre-Construction Development (Decline)													

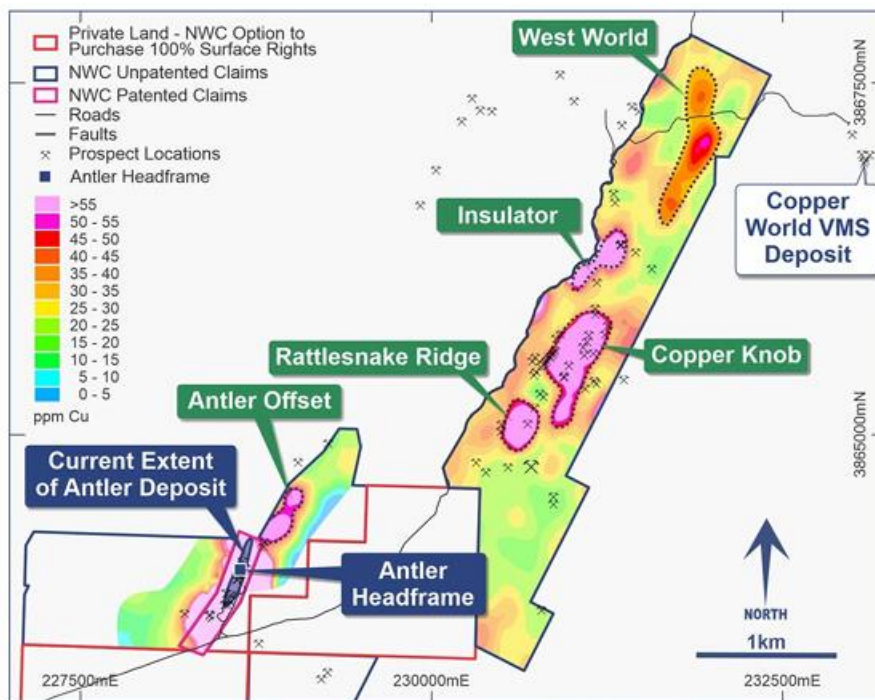
Source: Company

EXPLORATION: ROADRUNNER + JAVELINA

ROADRUNNER: TARGETS ALONG STRIKE NE OF ANTLER AND SW OF COPPER WORLD

We believe that the exploration potential along strike to the south and NE of Antler provides material upside to New World and to the development of Antler. The Roadrunner Project is located to the NE of Antler and SW of Copper World, another known VMS deposit. New World has defined multiple strong, coincident IP and soil geochemistry anomalies (including copper rich gossans at surface) potentially 50-300m deep and any economic discovery could be processed at Antler's plant before some of the deeper blocks or could even justify an expansion of processing capacity.

FIGURE 6: ROADRUNNER PROJECT



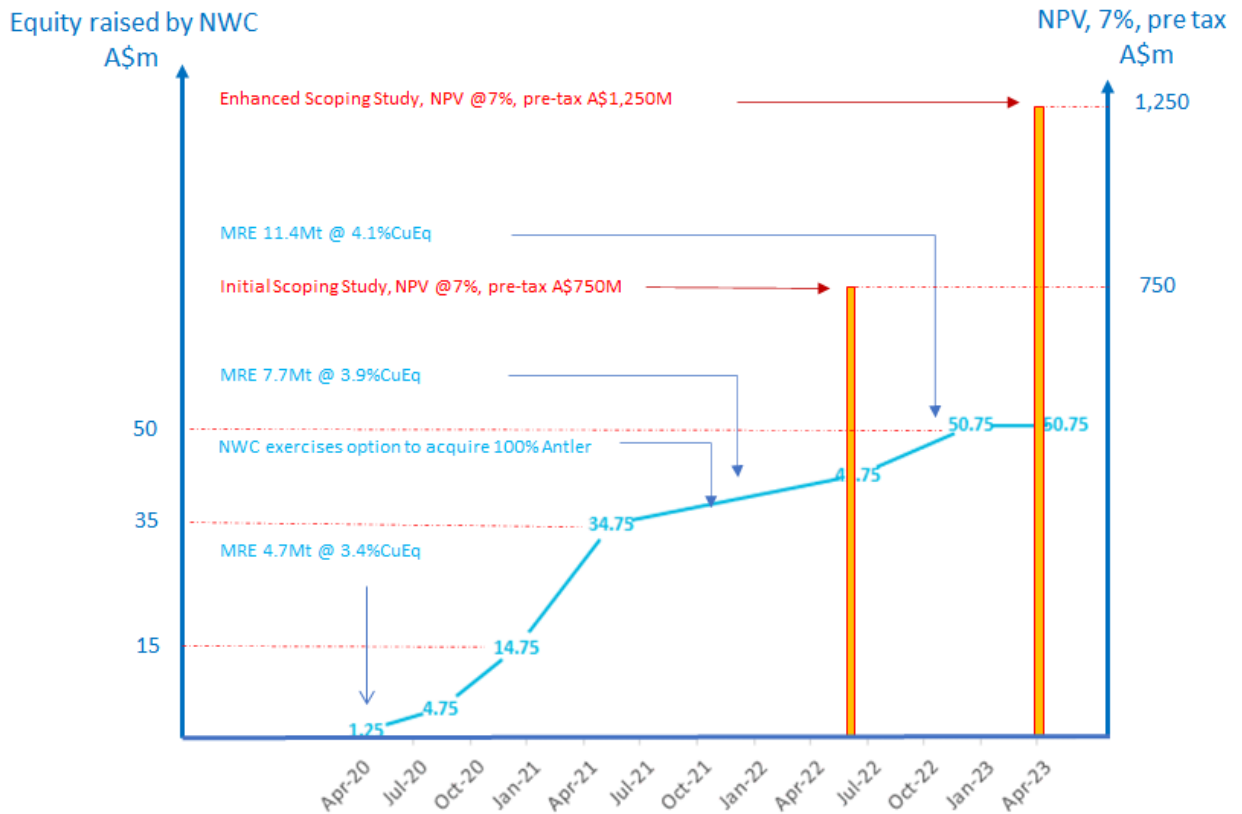
Source: Company

VMS deposits often form as clusters over a large intrusive heat source. If the heat chamber is long-lived, it is possible to get flat lenses of massive sulphide, each fed from the same fault, successively younger through the stratigraphy. These deposits are high grade with major metals including copper, zinc, lead, silver and gold. Given the geological model, we view the exploration of targets along strike between Antler and Copper World as highly prospective. Economic VMS deposits typically range in size from 4-25Mt, with an average of 5Mt although some (e.g. Kidd Creek, Ontario) can be as large as 150Mt.

Unlike Antler (located on privately owned land), the Roadrunner Project is located on unpatented mining claims within federal land administered by BLM. We understand that BLM recently requested New World to amend one of its existing drilling permits at Antler prior to commencing drilling at Roadrunner. Following acquisition of the requisite baseline environmental data, drilling at Roadrunner is expected to commence during the September 2023 quarter.

In our valuation, we have attributed \$75m to exploration, noting that since acquisition of Antler, New World has raised \$50m (\$5.5m in cash at 30 March 2023) to define and scope Antler to its current stage (11.4Mt @ 4.1 CuEq and A\$1.25Bn NPV@7%, pre-tax). We believe that the likelihood of finding another VMS lens (+4Mt or an Antler look alike +10Mt) has the potential to add material value via further optimisation of the production schedules (i.e. ore from the new lens fed to the plant before some of Antler's deeper ore) and/or increase mine life from 13 to +20 years.

FIGURE 7: KEY MILESTONES SINCE ANTLER ACQUISITION ANTLER, CAPITAL RAISED, PROJECT NPV

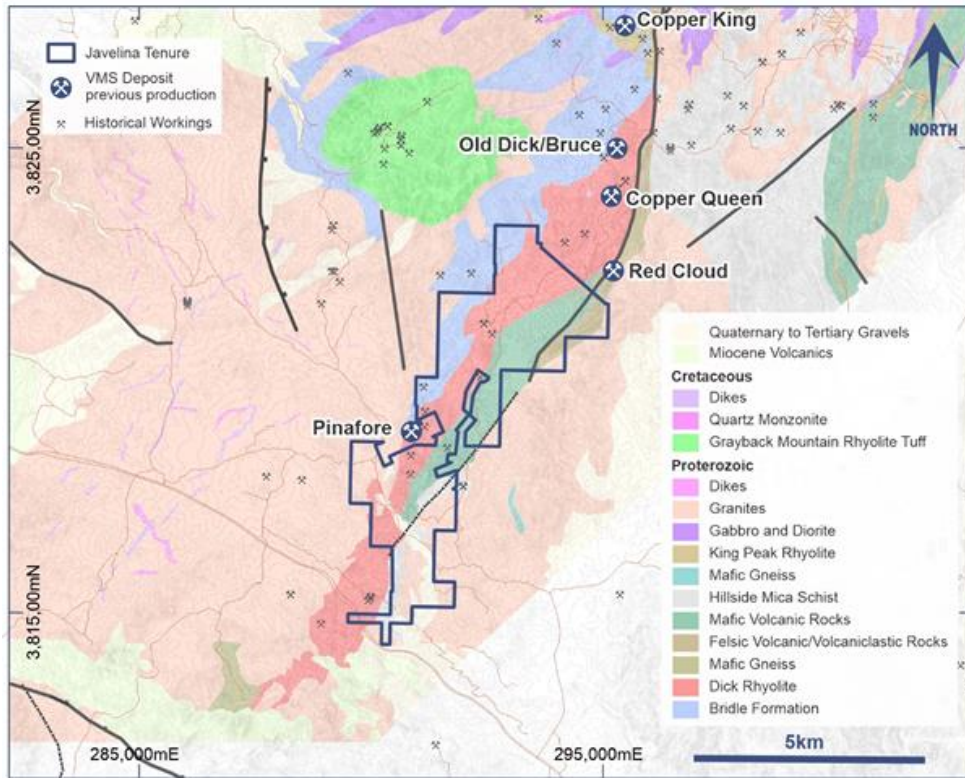


Source: Blue Ocean Equities, Company announcements

JAVELINA PROJECT

New World has recently staked 3,900 acres of 100%-owned BLM mining claims 75km SE from Antler. This region, near the Bagdad copper mine, owned by Freeport and one of Arizona’s largest copper mines, is a proven VMS district with several historic mines along strike from it. An economic discovery at Javelina, would likely result in the ore being trucked to Antler’s plant for processing.

FIGURE 8: JAVELINA PROJECT



Source: Company

SITE VISIT NOTES

BACKGROUND

In April 2023, BOEQ attended a site visit to gain a deeper understanding of the project’s location, topography, geology, access to infrastructure and permitting framework.

Antler is located 15Km from interstate highway 40 and 55Km away from the town of Kingman (population 30,000 – a town along the historic Route 66 in NW Arizona), where New World has its local office. This office (The Compound) has accommodation for some of the personnel and in addition to offices, has core cutting and core storage facilities.

FIGURE 9: THE COMPOUND - LOCAL OFFICE AT KINGMAN



Source: Blue Ocean Equities

ACCESS AND LOCAL INFRASTRUCTURE

From Kingman, we drove to the town of Yucca, 15Km from Antler to view the rail line and the existing siding access. One of Antler’s key features is good access to site, via the sealed County Road from Yucca and then the gravel Boriana Mine Road. Antler is located next to Cavalliere Ranch (NWC has an option to acquire the surface rights), which has a mains power line (will require upgrading). New World also has rights to the historical Mindy Mill Site, which has a water well. However, this site is covered by unpatented claims (BLM) and therefore a private block of land within the saturated alluvium was recently purchased and a water well is about to be drilled to fulfil the water requirements for Antler’s operations.

FIGURE 10: BNSF RAIL AT YUCCA, MAP ILLUSTRATING TENURE AND REGIONAL INFRASTRUCTURE



Source: Blue Ocean Equities, Company

We drove from the rail siding at Yucca to the drilling pad where the water well will be drilled and then to Cavalliere Ranch and Antler.

FIGURE 11: WATER WELL DRILLING PAD (PRIVATE LAND), WATER WELL AT MINDY MILL SITE (BLM)



Source: Blue Ocean Equities

FIGURE 12: BORIANA MINE ROAD AND TOPOGRAPHY AT ANTLER



Source: Blue Ocean Equities

After driving through the property, we went up the hill to the highest drilling pad location where some of the deeper holes were drilled from, went to the historic mine headframe, drove through Roadrunner tenure and walked to the Copper Knob outcrop (one of the Top 10 targets along strike NE of Antler – Roadrunner Project).

FIGURE 13: ANTLER, HISTORIC HEAD FRAME AND OUTCROPPING COPPER-OXIDE MINERALISATION AT COPPER KNOB



Source: Blue Ocean Equities

After driving and walking through the property, one of the obvious features of its location is that all the lay out and planned development is on or near private property, a disturbed site, and on the opposite side of the hill where the Hualapai Peak Wilderness reserve is located which means there will be no visual impact on this area.

FIGURE 14: ANTLER REMOVED FROM HUALAPAI PEAK



Source: Google Earth

GEOLOGY AND DRILL CORE

Antler is hosted within a broad zone of pre-Cambrian gneissic and schist rocks thought to have been of volcanic origin. The Deposit comprises a strata-bound, pyrrhotite-rich, copper-zinc volcanogenic massive sulphide body. The mineralisation outcrops over more than 750m of strike at surface. The host sequence strikes in a NE direction and dips to the NW – Antler dips to the W-NW at around 60°.

A complex array of tight and superimposed folds has been mapped at surface and underground, and two NW trending faults have been mapped to offset and truncate the Antler Deposit.

The mineralisation is laterally and vertically continuous over the 600m of strike drilled to date (and remains open at depth). Two key thick, steeply plunging shoots of high-grade mineralisation are present (Main Shoot and South Shoot). This thickening has been interpreted to be due to structural repetition, primarily folding and faulting may also locally control the thicker mineralisation.

The pictures below illustrate massive sulphide mineralisation from one of the highest-grade intercepts at the South Shoot.

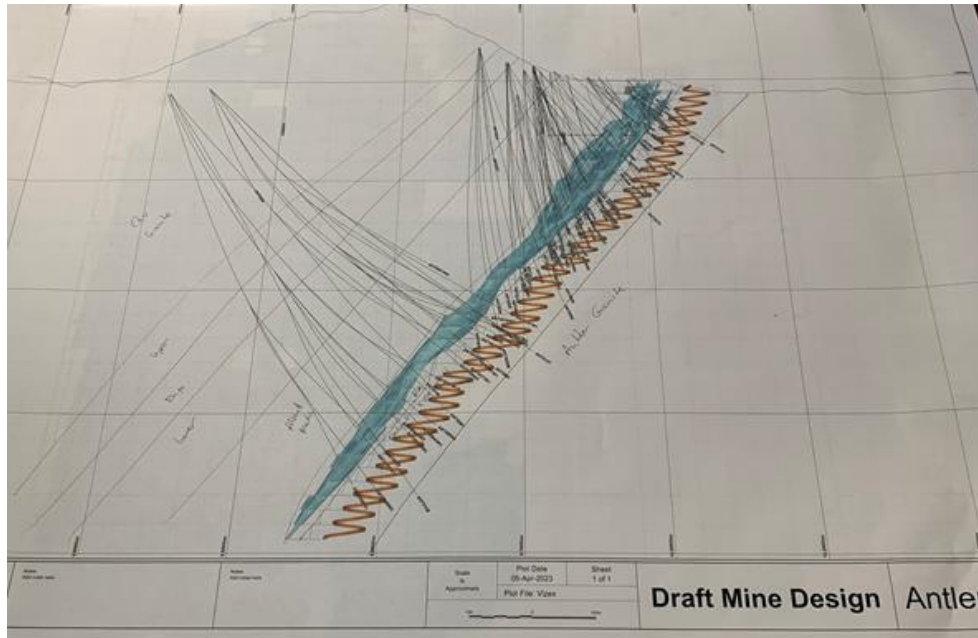
FIGURE 15: ANT0108W1 10.7M@8.1%CU, 15.6%ZN, 3.2%PB, 107.4G/T AG, 0.98G/T AU = 14.6%CUEQ



Source: Blue Ocean Equities

Antler’s hanging wall is altered mafic shist while the footwall is metamorphosed embedded sediment. Core for both hanging wall and foot wall looked competent and the mine plan involves longitudinal sequences retreating from hanging wall to footwall.

FIGURE 16: DRAFT CORKSCREW DECLINE ON FOOTWALL SIDE OF THE DEPOSIT



Source: Blue Ocean Equities

KEY TAKEAWAYS

- i. Good set up at Kingman’s local office, including employee accommodation.
- ii. Good site access via road to Cavalliere Ranch (optioned by NWC) and infrastructure (road, rail, power and water).
- iii. Drilling core confirms high grade and consistent nature of the orebody as well as competent hanging wall and foot wall for straight forward and low-cost underground development.
- iv. Location of mine portal, processing plant and water well on private land, combined with location on southern side of the mountain range (i.e. completely opposite side of the Hualapai Peak Wilderness reserve and with no visual impact) points to a low-risk approvals process (minor complexity likely to be approval for water pipeline as unsealed road runs through sections of BLM land).
- v. Strong potential for exploration targets to become discoveries which would add to Antler’s resource and development profile.

INVESTMENT PROPOSITION

CHANGES TO OUR FINANCIAL MODEL

We have updated our financial model to reflect key metrics from the Enhanced Scoping Study. However, we remain bullish on commodity prices, particularly copper post 2025 (peak copper supply expected 2024 and unlikely to match demand growth driven by global economic recovery, EV penetration over 20% and further growth in cleantech and decarbonisation trends) when Antler is expected to commence production. We therefore retain our pricing assumptions (as below) and provide key sensitivities to reflect impact on valuation from assuming different long-term prices.

TABLE 4: KEY METRICS BOEQ INITIATION VS ENHANCED SS

Project Metric	BOEQ – Initiation	BOEQ – Enhanced SS	BOEQ's Comments
Mine life	12 years @ 1.2Mtpa	13 years @ 1.3-1.5Mtpa	We continue to expect mine life to increase subject to additional exploration success
Initial Capex	US\$210m	US\$250m	Process plant capacity and capex increase in the order of 20% (Enhanced SS has US\$11.2m as part of capex relating to purchase a royalty held by vendors, which we assumed in our Initiation as a financing item).
Sustaining Capex	US\$37m	US\$70m	Sustaining capex increased materially to reflect deeper development.
Working Capital	A\$25m	A\$25m	BOEQ's estimate
Mining rate	1.2 Mtpa	1.3-1.5 Mtpa	Higher average throughput results in higher annual production vs the original scoping study and lower annual average production vs our Initiation assumptions; with slightly higher dilution and longer mine life
Processing rate	1.2 Mtpa	1.3-1.5 Mtpa	
Avg prod. volume - CuEq	37ktpa	34ktpa	16.6kt Cu con, 39kt Zn con and 5.3kt Pb con
Prices	Cu: US\$4.8/lb Zn: US\$1.4/lb Pb: US\$1.0/lb Ag: US\$21/oz Au: US\$1750/oz Fx: 0.70	Cu: US\$4.8/lb Zn: US\$1.4/lb Pb: US\$1.0/lb Ag: US\$25/oz Au: US\$2005/oz Fx: 0.70	Our view is that Copper prices will reflect demand/supply deficits from 2025 Have updated silver and gold prices to spot
Revenue split	Cu/Au con: 55% Zn con: 38% Pb/Ag con: 7%	Cu/Au con: 55% Zn con: 37% Pb/Ag con: 8%	
C1 Costs – CuEq Prod	US\$1.63/lb	US\$1.38/lb	
C1 Costs – Net of credits	(US\$0.96/lb)	(US\$1.47/lb)	
AISC – CuEq Prod	US\$1.69/lb	US\$1.46/lb	
AISC – Net of credits	(US\$0.84/lb)	(US\$1.30/lb)	
Operating Cash Margin	63%	68%	
Avg Operating Cash Margin	A\$279m p.a.	A\$299m p.a.	
Royalties	0%	0%	No royalties are payable in Arizona on private land, 10% NPI to be acquired as in the Enhanced Scoping Study (US\$11.4m)

Financial Metric	SS – Maiden Resource	BOEQ – Updated Resource	BOEQ's Comments
IRR, post-tax	48%	51%	
Equity NPV, post-tax, un-risked	A\$958m	A\$1,212m	Compare to current MCap of A\$85m
Discount rate	8%	8%	8% real, 10% nominal

Source: Blue Ocean Equities

Funding requirements to FID have not changed and development raising has increased in line with capex. We continue to assume 60% debt with the equity component being A\$155m.

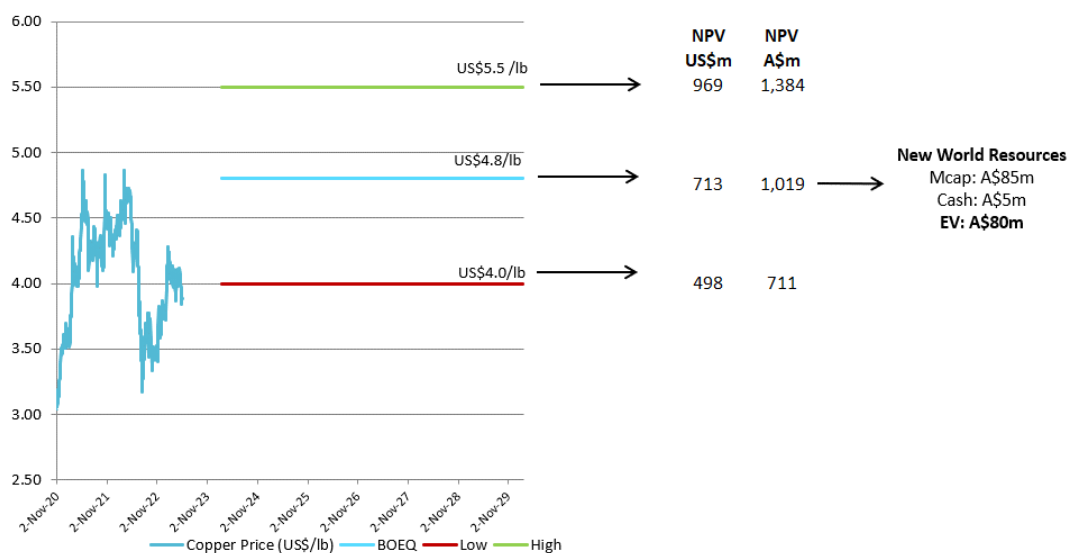
For the updated equity analysis, we arrive at a **geared, risked, post-tax equity, NPV (8%) of A\$1,019m** and a **risked NAV of A\$510m** by assuming:

- NWC funds its \$387M development capital and \$25M working capital via a combination of equity and debt:
 - \$232m is funded by debt, representing 60% gearing
 - The balance \$155m is funded by a development equity raising
 - We note New World resources has made reference to using the precious metals stream as a potential source of funding
- We apply a 50% discount to our valuation to account for development risks - while the Enhanced Scoping Study is more detailed than the average scoping study, we note that it has a +/-35% accuracy level. New World is advancing pre-feasibility studies and approvals, which will materially de-risk the project over the next 7 months.
- To arrive to a risked NAV, we have deducted to the risked equity NPV the NPV of corporate overheads, attributed value to exploration to reflect one discovery, assumed no value for NWC's other assets and deducted net debt
- To estimate the NAV per share we have estimated the level of dilution at key de-risking stages, including:

Stage	NAV/share	Basis
Current	0.25	2,191m shares, options and PRs on issue, 50% risking
At Financial Close	0.34	2,424m shares on issue, 20% risking
Post Construction & ramp up	0.45	3,770m shares on issue, 0% risking

Regardless of the pricing assumptions, the figure below illustrates that the project economics for Antler are robust and there is a significant value gap with New World's market capitalisation.

FIGURE 17: COPPER PRICE AND IMPACT ON ANTLER'S NPV@8% POST-TAX



Source: Blue Ocean Equities, IRESS

KEY SENSITIVITIES

TABLE 5: NPV SENSITIVITY BASED ON COPPER AND ZINC PRICES

NPV post-tax (A\$m)		Cu Price (US\$/lb)				
		3.00	3.50	4.00	4.50	5.00
Zn Price (US\$/lb)	1.00	539	662	784	907	1,030
	1.20	655	778	900	1,023	1,145
	1.40	771	894	1,016	1,139	1,261
	1.60	887	1,009	1,132	1,255	1,377

Source: Blue Ocean Equities

TABLE 6: UNRISKED* NAV/SHARE SENSITIVITY BASED ON COPPER AND ZINC PRICES

NPV post-tax (A\$m)		Cu Price (US\$/lb)				
		3.00	3.50	4.00	4.50	5.00
Zn Price (US\$/lb)	1.00	0.25	0.30	0.36	0.41	0.47
	1.20	0.30	0.35	0.41	0.47	0.52
	1.40	0.35	0.41	0.46	0.52	0.58
	1.60	0.40	0.46	0.52	0.57	0.63

Source: Blue Ocean Equities

*current risk factor is 50% as scoping study has +/- 35% accuracy level.

TABLE 7: IRR SENSITIVITY BASED ON COPPER AND ZINC PRICES

IRR post-tax (A\$m)		Cu Price (US\$/lb)				
		3.00	3.50	4.00	4.50	5.00
Zn Price (US\$/lb)	1.00	30%	34%	38%	42%	46%
	1.20	34%	38%	42%	46%	49%
	1.40	38%	42%	45%	49%	52%
	1.60	42%	45%	49%	52%	56%

Source: Blue Ocean Equities

TABLE 8: NPV SENSITIVITY BASED ON COPPER PRICE AND DISCOUNT RATE

NPV post-tax (A\$m)		Cu Price (US\$/lb)				
		3.00	3.50	4.00	4.50	5.00
Discount rate (real)	4%	1,107	1,268	1,429	1,590	1,751
	6%	923	1,063	1,203	1,343	1,483
	8%	771	894	1,016	1,139	1,261
	10%	645	753	861	968	1,076

Source: Blue Ocean Equities

The Antler Copper Project has multiple attractive features including favourable location (in a safe, stable jurisdiction), high grade and continuity of the deposit combined with strong medium term macro price environment. The number of attractive exploration targets along strike provides attractive exploration upside that could add multiples of New World's current valuation.

We also consider there is significant upside to our valuation from the de-risking of the Antler Copper Project following completion of pre-feasibility studies by end of CY 2023, feasibility and approvals workstreams by the end of CY 2024. If New World Resources delivers project feasibility, construction and commissioning NWC shareholders will benefit from the value re-rating process and a very profitable copper/zinc operation in what is expected to be a rising price environment. The high prospectivity of New World's exploration assets further enhances the value proposition.

FINANCIAL MODEL SUMMARY



New World Resources

Code: NWC

Stock Details				Enterprise Value	\$80m
Share Price	\$0.04			Diluted MCap	\$85m
NAV/share	\$0.25	52 Week High	\$0.06	Diluted Shares	2191m
Implied Return	553%	52 Week Low	\$0.03	Free Float	100%
				Avg Daily Value	\$0.27m

Macro Assumptions	FY23E	FY24E	FY25E	FY26E	FY27E
Exchange Rate (A\$/US\$)	0.70	0.70	0.70	0.70	0.70
Copper Price (US\$/lb)	3.8	4.3	4.8	4.8	4.8
Zinc Price (US\$/lb)	1.4	1.4	1.4	1.4	1.4
Lead Price (US\$/lb)	1.0	1.0	1.0	1.0	1.0
Silver Price (US\$/oz)	25	25	25	25	25
Gold Price (US\$/oz)	2,005	2,005	2,005	2,005	2,005

Profit & Loss (A\$m)	FY23E	FY24E	FY25E	FY26E	FY27E
Revenue	-	-	-	-	139
Operating Costs	-	-	-	-	(44)
Operating Profit	-	-	-	-	95
Corporate & Other	(2)	(2)	(2)	(2)	(4)
Exploration Expense	-	-	-	-	-
EBITDA	(2)	(2)	(2)	(2)	91
D&A	-	-	-	-	(9)
EBIT	(2)	(2)	(2)	(2)	82
Net Interest Expense	-	-	-	-	(22)
Pre-Tax Profit	-	-	-	-	1
Tax Expense	-	-	-	-	(21)
Underlying Profit	(2)	(2)	(2)	(2)	61
Significant Items (post tax)	-	-	-	-	(16)
Reported Profit	(2)	(2)	(2)	(2)	45

Cash Flow (A\$m)	FY23E	FY24E	FY25E	FY26E	FY27E
Operating Cashflow	(2)	(2)	(2)	(2)	91
Tax	-	-	-	-	(16)
Net Interest	-	-	-	-	(21)
Net Operating Cash Flow	(2)	(2)	(2)	(2)	54
Exploration	(11)	(2)	(2)	(2)	(2)
Capex	(5)	(15)	(226)	(136)	(8)
Acquisitions / Disposals	-	-	-	-	-
Other	-	-	-	-	-
Net Investing Cash Flow	(16)	(17)	(228)	(138)	(10)
Equity Issue	16	20	155	-	-
Borrowing / Repayments	-	-	232	-	(29)
Dividends	-	-	-	-	-
Other	-	-	-	0	0
Net Financing Cash Flow	16	20	387	0	(29)
Change in Cash Position	(2)	1	157	(140)	14
FX Adjustments	-	-	-	-	-
Cash Balance	8	9	165	26	40

Balance Sheet (A\$m)	FY23E	FY24E	FY25E	FY26E	FY27E
Cash	2	3	160	20	35
Other Current Assets	1	1	1	1	1
PP&E	5	20	246	382	381
Exploration & Development	44	46	48	50	52
Other Non Current Assets	0	0	0	0	0
Total Assets	52	70	455	453	469
Debt	-	-	232	232	203
Other Liabilities	3	3	3	3	3
Net Assets	50	68	221	219	263

Ratio Analysis		FY23E	FY24E	FY25E	FY26E	FY27E
Diluted Shares	m	2,105	2,424	3,713	3,721	3,770
EPS - Diluted	Ac	(0.1)	(0.1)	(0.1)	(0.1)	1.2
P/E	x	n.m.	n.m.	n.m.	n.m.	-
CFPS - Diluted	Ac	(0.1)	(0.1)	(0.1)	1.4	6.7
P/CF	x	n.m.	n.m.	n.m.	-	-
FCF - Diluted	Ac	(0.3)	(0.7)	(6.1)	(3.7)	1.8
P/FCF	x	n.m.	n.m.	n.m.	n.m.	-

Dividends	Ac	-	-	-	-	-
Dividend yield	%	-	-	-	-	-
Payout Ratio	%	-	-	-	-	-
Franking	%	-	-	-	-	-

Enterprise Value	A\$m	83	82	157	297	253
EV/EBITDA	x	n.m.	n.m.	n.m.	n.m.	2.8x
ROE	%	(4%)	(3%)	(1%)	(1%)	23%
ROA	%	(4%)	(3%)	(0%)	(0%)	13%

Net Debt / (Cash)		(2)	(3)	72	211	168
Gearing (D/(D+E))	%	-	-	51%	51%	44%
Gearing (D/E)	%	-	-	105%	106%	77%

Reserves & Resources							Updated: November 2022	
Resource	mt	Cu %	Zn %	Pb %	Ag g/t	Au g/t	CuEq %	
Measured								
Indicated	9.1	2.3%	5.1%	0.9%	35.94	0.40	4.4%	
Inferred	2.4	1.6%	4.5%	0.9%	21.32	0.17	3.3%	
Total	11.4	2.1%	5.0%	0.9%	32.90	0.36	4.1%	

Reserves	mt	Cu %	Zn %	Pb %	Ag g/t	Au g/t	CuEq %
Proved	-	-	-	-	-	-	-
Probable	-	-	-	-	-	-	-

Earnings Sensitivity			FY27E	FY28E	FY27E	FY28E
			A\$m	A\$m	%	%
Copper Price	US\$/lb	+10%	10	19	20%	10%
Zinc Price	US\$/lb	+10%	6	15	12%	8%
Lead Price	US\$/lb	+10%	1	2	2%	1%
Exchange Rate	A\$/US\$	-10%	5	18	11%	10%

Valuation	Discount	Stake	A\$m	A\$/sh
Antler (unrisked)		100%	1,019	0.47
Antler (risk-adjusted)	50%	100%	510	0.23
Exploration & Projects			75	0.03
Corporate & Other			(32)	(0.01)
Debt			-	-
Cash			6	0.00
Option Strikes			-	-
Risk adjusted NAV			558	0.25
				15.3%

Source: Blue Ocean Equities

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Blue Ocean Equities Pty Limited acted as Joint-Lead Manager for the NWC Placement in December 2022.

The Analyst of this report owns shares in New World Resources Limited.

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