

New World Resources

Base Metals - Developer/Explorer

19 July 2022

Rating
SPECULATIVE BUY
unchanged

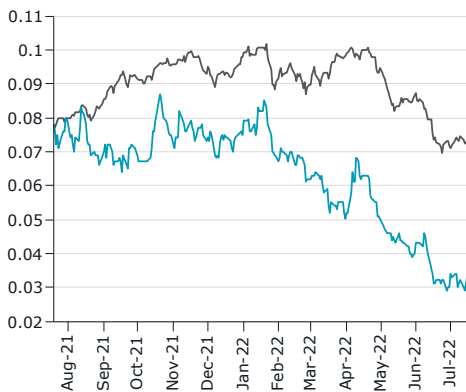
Price Target
A\$0.18↓
from A\$0.30

NWC-ASX

Price
A\$0.04

Market Data

52-Week Range (A\$) :	0.03 - 0.09
Avg Daily Vol (M) :	4.1
Market Cap (A\$M) :	55.9
Shares Out. (M) :	1,596.9
Dividend /Shr (A\$) :	0.00
Dividend Yield (%) :	0.0
Enterprise Value (A\$M) :	44.1
NAV /Shr (A\$) :	0.18
NAV /Shr (5%) (A\$) :	0.45
Net Cash (A\$M) :	11.8
P/NAV (x) (A\$) :	0.19



— NWC
— S&P/ASX Emerging Companies (rebased)

Source: FactSet

Priced as of close of business 18 July 2022

New World Resources is an ASX-listed copper developer focused on the Antler Copper Project in Arizona, US. NWC has published a Scoping Study which outlines plans for a long mine life, high margin polymetallic underground operation, producing 247kt of payable copper equivalent over a 10-year mine life. Annual production is 25kt of payable copper equivalent for C1 of US\$1.66/lb CuEq and upfront capital of US\$201m. Permitting is key and can take up to 24-months. NWC is diligently working through this process now.

Paul Howard | Analyst | Canaccord Genuity (Australia) Ltd. | phoward@cgf.com | +61.8.9263.1155

High margin, 10-year copper mine at Antler

New World Resources has released the Scoping Study (SS) for the 100%-owned Antler Copper Project in Arizona, US. The SS outlines plans for a long mine life, high margin (~US\$100m p.a.) polymetallic underground operation, producing 247kt payable CuEq over a 10-year mine life. Annual production is 25kt of payable CuEq for C1 of US\$1.66/lb CuEq and upfront capital of US\$201m (and includes a US\$36.5m contingency).

How the SS compares: As per the Assumptions table in Figure 2 overleaf, the SS differs from our expectations in the sense that we modelled similar copper production (CGe 222kt CuEq vs NWC 247kt CuEq) but at higher in-situ grades (CGe 4.9% vs NWC 3.3%) over a shorter mine life (CGe six years vs NWC 10 years). Our assumptions were informed by the existing resource converting to a mining inventory at 80%. Our costs were US\$160m capex and C1 of US\$1.50/lb CuEq. Our modelling saw greater cash flows over a shorter period (Figure 13), which yielded a larger valuation in a DCF. We did not envisage NWC diluting the orebody by 2Mt to give a mine inventory that is larger than the 7.7Mt @ 3.9% CuEq resource released last November. The resource used a 1% CuEq cut-off while the new mine inventory uses a US\$70/t NSR cut-off, which on our reckoning implies a lowering of the cut-off given the high value mineralised halo on the fringes of the resource. It could also be linked to mine constraints as highlighted below.

Model updates: We have taken the 9.3Mt inventory as a given. We have added conservatism into our recovery and payability assumptions, and model 7% higher operational costs given scoping studies are costed to +/-35% accuracy. Similarly, we model 10% additional capex. We have seen a number of base metal projects undercall sustaining capital assumptions in scoping studies of late and have erred on the side of caution, modelling significantly higher (24%) sustaining capital for our Antler model. The result is a very robust model that should be viewed as a base case given further resource growth is expected. We no longer model a larger 1.25Mtpa weighted scenario but have included resource growth in our exploration value.

Is there room for greater throughput and/or mine life extensions? Given drilling is ongoing and has most recently demonstrated continuity over 900m depth (18.2m @ 3.4% CuEq from 988m). Resource growth is likely, in our view, and could be delivered later this year. While the proposed 5x5m decline and development could be increased in size to lift capacity to ~1.2Mtpa, we think LOM extensions are more likely as the resource is pushed deeper. As a rule of thumb, orebodies like Antler with a strike length of 200-300m can be mined and advanced through a single decline at a rate of 50-70m vertically p.a. At 700m deep, a 10-year, 1Mtpa operation seems scaled appropriately, in our view. This also lends itself to the notion of having a 9.3Mt inventory over 10 years versus attempting to mine a 700m deep orebody in less time as per our original modelling; perhaps a 1Mtpa operation over six years is not achievable on mine constraint grounds? If further shoots emerge along strike to the south, there could be justification for additional declines to lift throughput. The trade-off here is development cost. The SS already has US\$34m of upfront development capital for the single decline.

Permitting: A key risk and consideration for NWC is permitting timeframes. Pleasingly, this SS now provides NWC with a basis to commence the lengthy permitting process which could take up to 24 months. NWC will utilise an experienced team with a proven track record of mine permitting in Arizona.

Valuation and recommendation: We have updated our model as per the SS and move to a fully funded approach with equity dilution included. With the shift from a six-year, higher volume production scenario to the new 10-year plan as per the SS at slightly higher costs, our price target has decreased to \$0.18 (from \$0.30). We retain our SPECULATIVE BUY recommendation and expect upcoming drill results to demonstrate growth (11 holes pending), as well as a resource update over the coming months. We expect submission of permitting applications in the DecQ'22.

Figure 1: Financial summary

FINANCIAL SUMMARY

NEW WORLD RESOURCES NWC:ASX
Analyst(s) : Paul Howard
Date: 18/07/2022
Year End: June

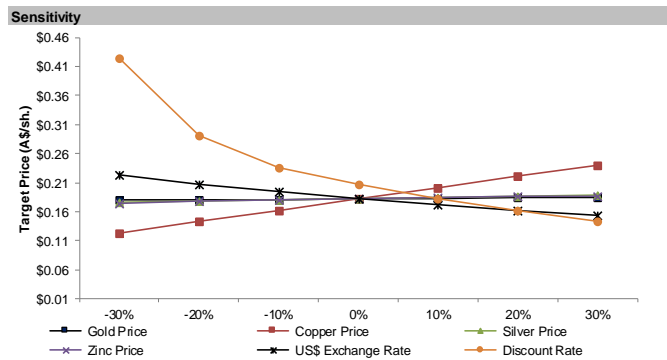
Rating: **SPEC BUY**
Target Price: **A\$0.18**

Market Information		
Share Price	A\$	0.035
Market Capitalisation	A\$m	55.9
12 Month Hi	A\$	0.09
12 Month Lo	A\$	0.03
Issued Capital (incl. LSE)	m	1596.9
Options	m	104.6
Fully Diluted	m	1701.5

Valuation		A\$m	A\$/share
Antler	NPV @ 12%	305.2	0.10
Exploration & Resource growth		60.0	0.02
Corporate		(7.7)	(0.00)
Cash (est. at end of Q)		11.8	0.00
ITM Options		-	-
Assumed New equity		179.1	0.06

TOTAL NAV/ Price Target **548.3** **0.18**
Price:NAV 0.19x

Assumptions	2021a	2022e	2023e	2024e	2025e
Copper Price (US\$/lb)	3.51	4.49	4.38	4.25	4.38
Zinc Price (US\$/lb)	1.20	1.52	1.30	1.23	1.20
Lead Price (US\$/lb)	0.88	1.04	0.88	0.85	0.85
Silver Price (US\$/oz)	24.95	24.53	24.85	25.51	25.89
Gold Price (US\$/oz)	1,851	1,844	1,952	2,000	2,042
AUD:USD	0.67	0.75	0.74	0.75	0.75



Production Metrics		2025e	2026e	2025e	2026e
Antler					
Copper	kt	0.6	7.4	13.4	14.1
Zinc	kt	1.5	17.4	31.4	33.0
Lead	kt	0.2	2.2	4.0	4.2
Silver	koz	23	261	472	496
Gold	koz	0.1	1.4	2.5	2.6
Payable Copper Equivalent	kt	1.18	13.42	24.62	26.56
C1 Cost (US\$/lb CuEq)		1.79	2.12	1.72	1.67
C3 Cost (US\$/lb CuEq)		1.89	2.46	1.91	1.85

Reserves	Mt	Cu %	Cu kt	CuEq %*	CuEq kt*
Antler					
Proven	0.0	0	0.0	0	0.0
Probable	0.0	0.0	0.0	0	0.0
Total	0.0	0.0	0.0	0	0.0

Resources	Mt	Cu %	Cu kt	CuEq %*	CuEq kt*
Antler					
Measured	0.0	0.0	0.0	0.0	0.0
Indicated	5.8	2.1	123.5	5.0	0.0
Inferred	2.0	2.5	49.2	5.2	0.0
Total	7.8	2.2	172.8	5.1	393.7

Mine Inventory	Mt	Cu %	Cu kt	CuEq %*	CuEq kt*
Antler	9.3	1.6	150.2	3.7	344.1

*Metal equivalent are live (spot) and represent an in-situ grade

New World Resources is an ASX-listed copper developer focused on the Antler Copper Project in Arizona, US. NWC has published a Scoping Study which outlines plans for a long mine life, high margin polymetallic underground operation, producing 247kt of payable copper equivalent over a 10-year mine life. Annual production is 25kt of payable copper equivalent for C1 of US\$1.66/lb CuEq and upfront capital of US\$201m. Permitting is key and can take up to 24-months. NWC is diligently working through this process now.

Profit & Loss (£\$m)	2021a	2022e	2023e	2024e	2025e
Revenue	0.0	0.0	0.0	0.0	15.7
Operating Costs	0.0	0.0	0.0	0.0	-4.7
Corporate & O'heads	-2.6	-1.0	-0.9	-0.9	-1.0
Exploration (Expensed)	0.0	-1.5	-0.8	-0.6	-0.1
EBITDA	-2.8	-2.3	-1.6	-1.3	10.9
Dep'n	0.0	0.0	0.0	0.0	-0.1
Net Interest	0.0	0.0	0.0	0.0	6.0
Other					
Tax	0.0	0.0	0.0	0.0	-1.7
NPAT (reported)	-2.8	-2.3	-1.6	-1.3	3.1
Abnormals	0.0	0.0	0.0	0.0	0.0
NPAT	-2.8	-2.3	-1.6	-1.3	3.1
EBITDA Margin	nm	nm	nm	nm	69%
EV/EBITDA	nm	nm	nm	nm	-10.3x
EPS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
EPS Growth	nm	nm	nm	nm	-263%
PER					
Dividend Per Share	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Dividend Yield	0%	0%	0%	0%	0%

Cash Flow (£\$m)	2021a	2022e	2023e	2024e	2025e
Cash Receipts	0.0	0.0	0.0	0.0	15.7
Cash paid to suppliers	-1.9	-1.0	-0.9	-0.9	-5.6
Tax Paid	0.0	0.0	0.0	0.0	-1.7
Net Interest	0.0	0.0	0.1	0.2	6.9
+/- Working cap change	-0.1	0.0	0.0	0.0	0.0
Operating Cash Flow	-1.9	-1.0	-0.8	-0.7	15.2
Exploration and Evaluation	-8.7	-14.6	-8.0	-6.0	-0.8
Capex	0.0	0.0	0.0	-13.4	-296.8
Other	0.0	-3.0	0.0	0.0	0.0
Investing Cash Flow	-8.7	-17.6	-8.0	-19.4	-297.6
Debt Drawdown (repayment)	0.0	0.0	0.0	0.0	149.1
Share capital	34.8	0.8	10.0	20.0	149.1
Dividends	0.0	0.0	0.0	0.0	0.0
Financing Expenses	2.1	0.0	0.4	0.8	6.0
Financing Cash Flow	36.9	0.8	10.4	20.8	304.1
Opening Cash	1.0	23.1	5.0	6.7	7.3
Increase / (Decrease) in cash	26.3	-17.8	1.6	0.7	21.8
FX Impact	0.0	-0.2	0.0	0.0	0.0
Closing Cash	27.3	5.0	6.7	7.3	29.1

Op. Cashflow/Share	\$0.00	\$0.00	\$0.00	\$0.00	\$0.01
P/CF	-28.7x	-57.4x	-72.4x	-78.1x	3.7x
EV/FCF	nm	nm	nm	nm	0.4x
FCF Yield	-19%	-33%	-16%	-36%	-505%

Balance Sheet (£\$m)	2021a	2022e	2023e	2024e	2025e
Cash + S/Term Deposits	23.1	5.0	6.7	7.3	29.1
Other current assets	0.5	30.0	32.0	10.1	180.1
Current Assets	23.6	35.0	38.7	17.4	209.1
Property, Plant & Equip.	0.0	0.0	0.0	13.4	310.1
Exploration & Develop.	26.1	39.3	46.5	51.9	52.6
Other Non-current Assets	0.2	0.0	0.0	0.0	0.0
Payables	0.7	0.0	0.0	0.0	0.8
Short Term Debt	0.0	0.0	0.0	0.0	35.7
Long Term Debt	0.0	0.0	0.0	0.0	70.9
Other Liabilities	0.2	62.9	49.3	28.1	257.8
Net Assets	49.0	47.4	55.9	74.6	226.7
Shareholders Funds	118.5	119.3	129.3	149.3	298.3
Reserves	12.8	12.8	12.8	12.8	12.8
Retained Earnings	-82.4	-84.7	-86.3	-87.6	-84.5
Total	49.0	47.4	55.9	74.6	226.7

Debt/Equity	0%	0%	0%	0%	31%
Net Debt/EBITDA	14.0x	5.2x	8.6x	10.2x	5.1x
Net Interest Cover	nm	nm	nm	nm	1.8x
ROE	-6%	-5%	-3%	-2%	1%
ROIC	-10%	-3%	-2%	-2%	1%
Book Value/share	\$0.03	\$0.03	\$0.03	\$0.04	\$0.13

Source: Company reports, Canaccord Genuity estimates

Figure 2: Assumptions: NWC vs CG prior and CGe

cg/Canaccord Genuity	Units	NWC Scoping Study Jul'22	Previous CGe	CGe Jul'22	% Difference (CGe vs NWC)
Assumed mine inventory	Mt	9.3	6.2	9.3	0%
Avg LOM Copper grade	%	1.6%	2.2%	1.6%	0%
Avg LOM Zinc grade	%	3.9%	5.3%	3.9%	0%
Avg LOM Lead grade	%	0.6%	0.9%	0.6%	0%
Avg LOM Gold grade	g/t	0.14	0.18	0.14	0%
Avg LOM Silver grade	g/t	21	29	21	0%
<i>Avg LOM CuEq grade (in-situ)</i>	%	3.3%	4.9%	3.2%	-4%
Mine Life	yrs	10	6.2	10	0%
Average annual ore processed	Mtpa	1.0	1.0	1.0	-2%
Recoveries					
Copper	%	91%	85%	90%	0%
Zinc	%	91%	85%	91%	-1%
Lead	%	72%	85%	71%	-1%
Gold	%	68%	85%	69%	2%
Silver	%	74%	85%	74%	1%
LOM Recoverable metals to Concentrate					
Copper	kt	136.0	115.2	133.6	-1.7%
Zinc	kt	329.0	277.5	320.9	-2.5%
Lead	kt	42.5	47.1	41.1	-3.4%
Gold	koz	28.2	30.3	28.9	2.4%
Silver	koz	4,674	4,849	4,664	-0.2%
Payabilities					
Copper	%	92%	95%	92%	0%
Zinc	%	90%	95%	90%	0%
Lead	%	92%	95%	90%	-2%
Gold	%	82%	95%	80%	-2%
Silver	%	93%	95%	93%	0%
LOM Payable metals to Concentrate					
Copper	kt	125.1	109.4	123.0	-2%
Zinc	kt	296.1	263.6	288.8	-2%
Lead	kt	39.1	44.8	37.0	-5%
Gold	koz	23.1	28.8	23.1	0%
Silver	koz	4,346.8	4,606.3	4,337.2	0%
<i>CuEq</i>	kt	247.0	221.9	241.8	-2%
Avg Annual Payable metals to Concentrate					
Copper	kt	12.5	10.9	12.3	-2%
Zinc	kt	29.6	26.4	28.9	-2%
Lead	kt	3.9	4.5	3.7	-5%
Gold	koz	2.3	2.9	2.3	0%
Silver	koz	434.7	460.6	433.7	0%
<i>CuEq</i>	kt	24.7	36.0	24.2	-2%
Average LOM commodity price					
Copper	US\$/t	8,500	8,543	8,543	1%
Zinc	US\$/t	2,800	2,646	2,646	-6%
Lead	US\$/t	2,000	1,874	1,874	-6%
Gold	US\$/oz	1,800	2,065	2,065	15%
Silver	US\$/oz	20	26	26	30%
Total Revenue	US\$M	2,099.4	1,895.8	2,031.8	-3%
Copper	US\$M	1,063.5	934.9	1,037.5	-2%
Zinc	US\$M	829.1	697.5	764.1	-8%
Lead	US\$M	78.2	83.9	69.3	-11%
Gold	US\$M	41.6	59.4	47.8	15%
Silver	US\$M	86.9	120.1	113.2	30%
Total Operating Costs	US\$M	859.4	474.3	919.2	7%
Mining - underground	US\$/t	52.03	49.00	55.00	6%
Processing	US\$/t	18.91	24.50	20.00	6%
Transport & TCS	US\$/t	20.83	16.10	23.00	10%
G&A	US\$/t	15.00	3.50	17.00	13%
Opex	US\$/t	85.94	77.00	92.00	7%
C1 (CuEq)	US\$/lb	1.66	1.50	1.61	-3%
Total Project capital	US\$M	230.9	201.0	257.0	11%
Pre-production capital	US\$M	201.0	160.0	220.0	9%
Sustaining capital	US\$M	29.9	21.0	37.0	24%

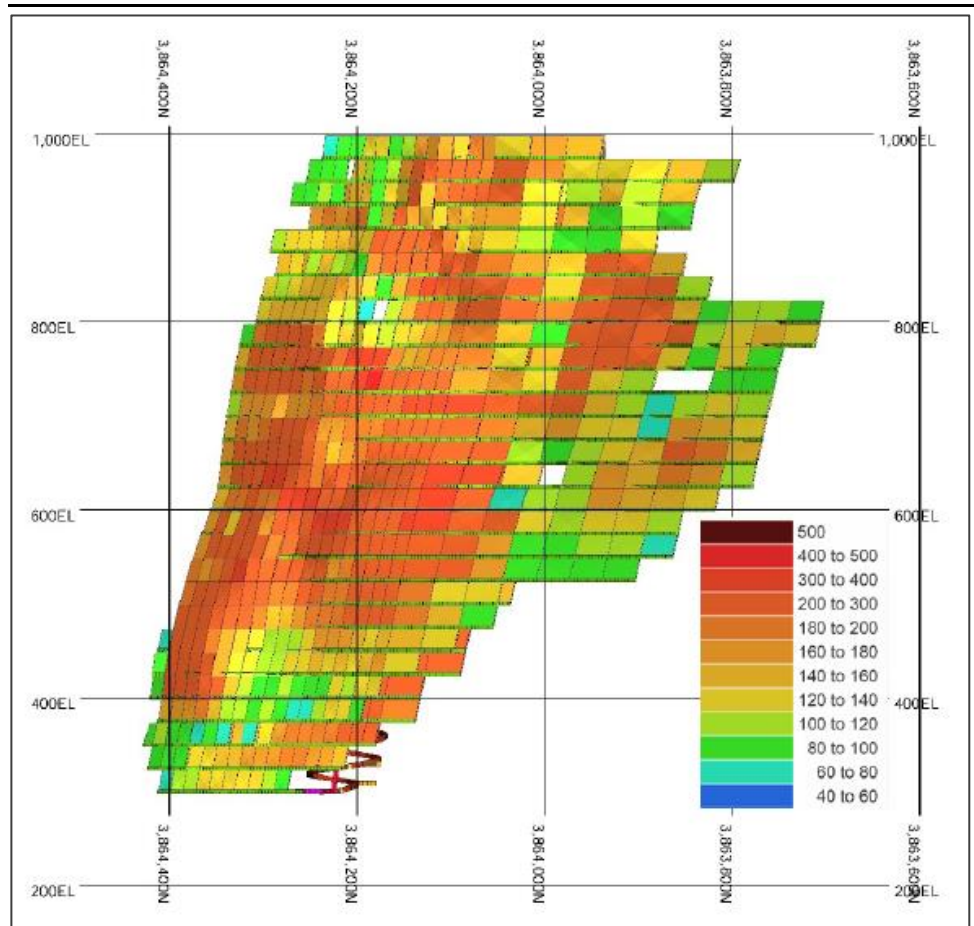
Source: Company reports, Canaccord Genuity estimates

Scoping Study details

Resource to Mine Inventory: NWC has converted 95% of the resource to a mineable inventory (7.3Mt) and has conservatively assumed an additional 2Mt of dilution through mining, to yield an expected 9.3Mt @ 3.3% CuEq mined inventory. Total dilution is 18.5%. Over the 10-year life, 76% of material mined is Indicated with the remaining 24% Inferred. Over the first five years this ratio is 80:20 (Indicated:Inferred).

Mining: Antler will be mined via a single, 5x5m, 1:7 grade decline from surface. An open pit scenario was evaluated but not progressed due to the likely volume of surface disturbance and the desire for a small footprint operation to aid permitting. Longhole stope with paste backfill will be employed as the mining method. Stopes will be mined in longitudinal sequence retreating from hangingwall to footwall. Stopes have been designed using a US\$70/t NSR cut-off with 25m high stopes selected as the base case scenario. Stope widths will range from 2m to 20m.

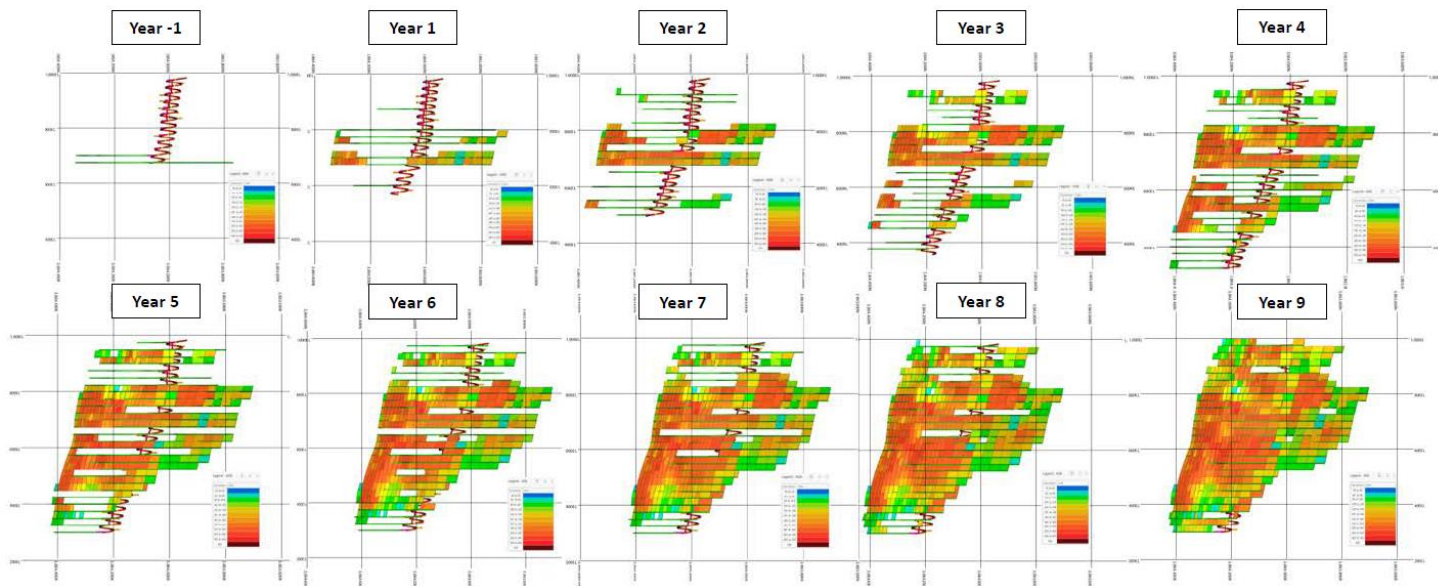
Figure 3: Long section showing stopes with NSR values



Source: Company Reports

Metallurgy and processing: NWC expects to recover copper (91% total recovery), zinc (91%), lead (72%), silver (74%) and gold (68%) to three concentrates; a copper-gold conc. grading 28% Cu, a zinc conc. grading 53% Zn and a lead-silver conc. grading 55% Pb from a nominal 1.2Mtpa plant at a rate of 1Mtpa. The flow sheet is a straightforward crush, grind (SAG), float and will use grid power and ground water. Tailings storage will be dry stack.

Figure 4: Mine development schedule



Source: Company reports

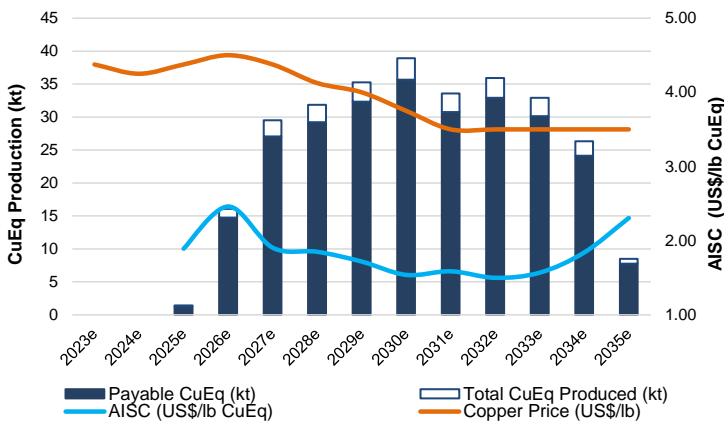
Costs: Capex is estimated at US\$201m (and includes a US\$36.5m contingency) versus previous CGe total capex of US\$160m, which is not surprising in the current inflationary environment over the 12 months since we initiated coverage. Given the value of by-product credits, C1 (net of credits) is expected to be -US\$0.31/lb and US\$1.66/lb in copper equivalent terms; versus previous CGe of US\$1.50/lb CuEq. On NWC's assumptions, copper accounts for 50% of the revenues with zinc accounting for 40%, lead, silver and gold make up the remaining 10%. Mining costs are estimated at US\$52.03/t, processing is US\$18.91/t, while G&A is expected to be US\$15.00/t. TCs are expected to be US\$65/dmt plus US\$0.065/lb for the copper concentrate, US\$190/dmt for zinc and US\$90/dmt for the lead concentrate with additional refinement charges for silver and gold. On a per tonne milled, TCRCs equate to US\$20.83/t. LOM sustaining capital is estimated at US\$29.9m.

Permitting

In Arizona, not all land use and management is the same, which can make mine permitting a challenge. Fortunately, the Antler deposit is situated on private patented land comprising private mineral rights (below surface) and private land rights (on surface). The land is also managed by the Bureau of Land Management (BLM) and not the US Forestry Services (USFS). USFS land can present a more difficult permitting route given mixed land usage and greater environmental concerns.

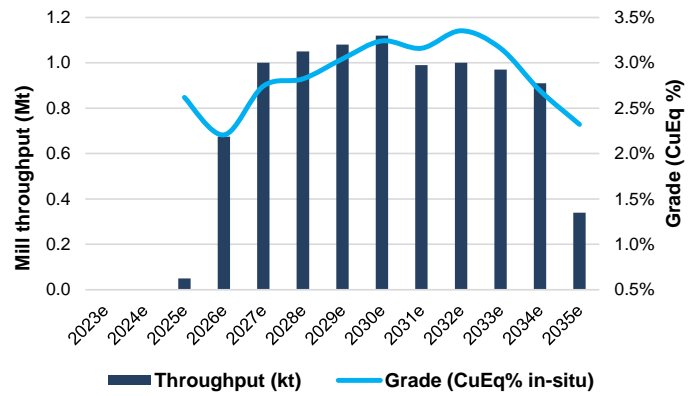
NWC anticipates entirely underground mining, hence minimal surface disturbance and no subsidence; paste-fill using tailings, which will further minimise the surface disturbance; a low-tonnage/high-grade operation, hence considerably less surface disturbance than other notable mines in Arizona (Rosemont and Resolution). Because Antler will be a relatively small mine, water consumption should be relatively low. Given the lack of agriculture proximal to Antler, the use of water will be a lot less contentious than if there was farming etc. Antler is in a very sparsely populated part of Arizona and so NWC's view is that less people = less potential opposition.

Figure 5: CGe recovered and payable copper equivalent, AISC and assumed copper price



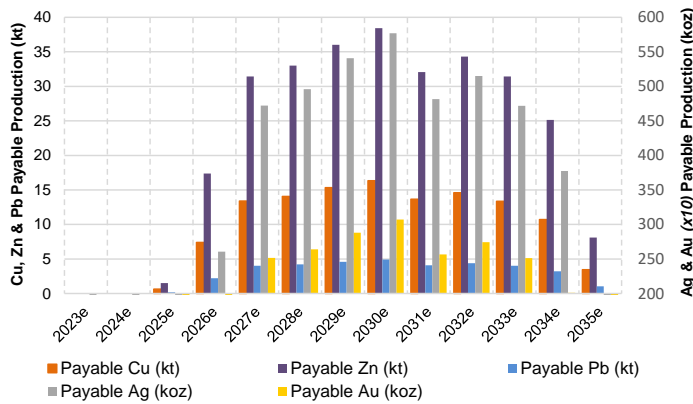
Source: Canaccord Genuity estimates

Figure 6: CGe LOM throughput and CuEq grade



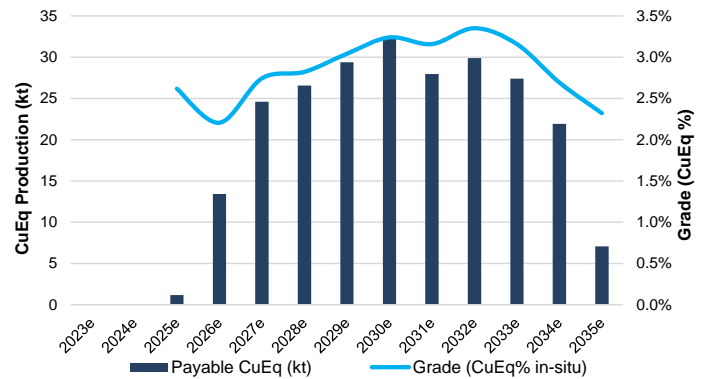
Source: Canaccord Genuity estimates

Figure 7: CGe payable production of metals



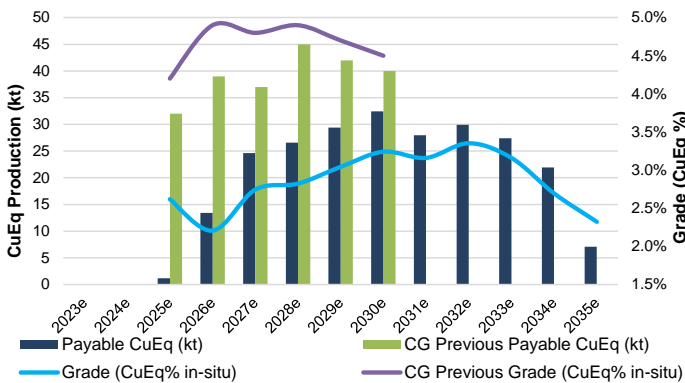
Source: Canaccord Genuity estimates

Figure 8: CGe payable CuEq production and grade



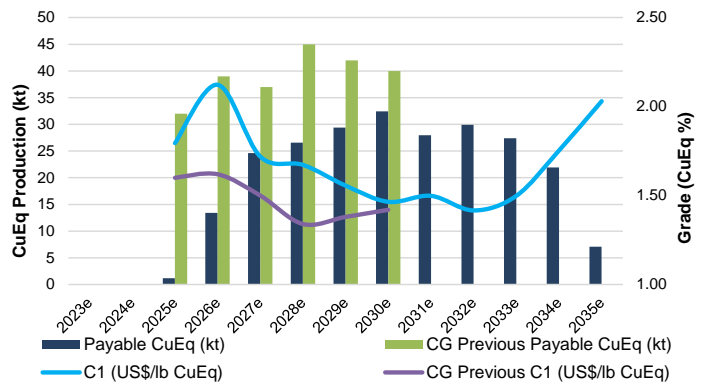
Source: Canaccord Genuity estimates

Figure 9: CGe payable production and grade versus previous CGe



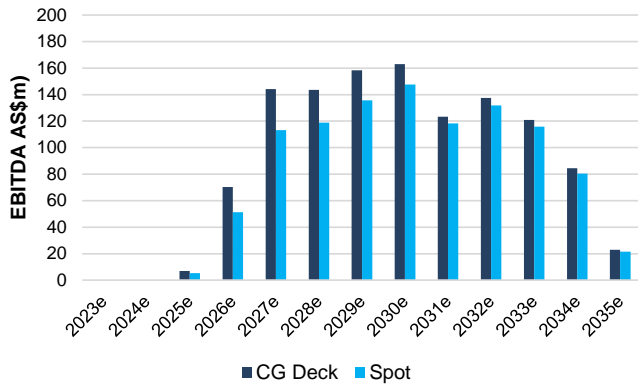
Source: Canaccord Genuity estimates

Figure 10: CGe payable production and C1 costs versus previous CGe



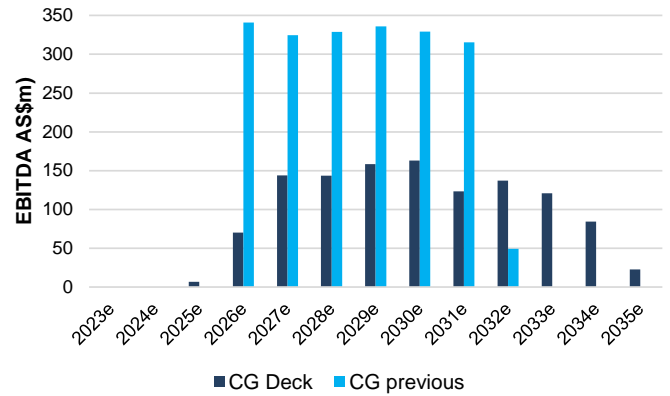
Source: Canaccord Genuity estimates

Figure 11: CGe EBITDA at CG prices deck and spot



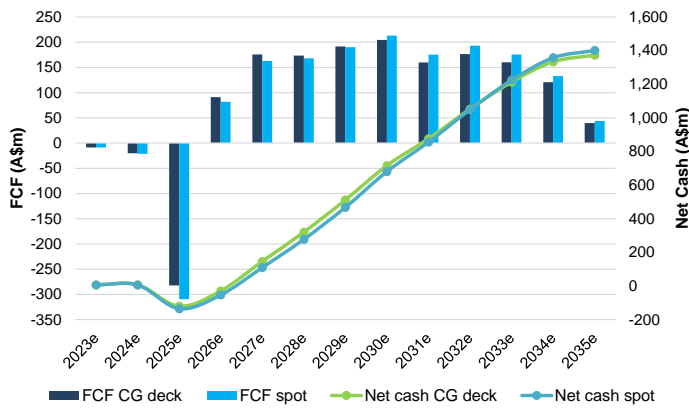
Source: Canaccord Genuity estimates

Figure 12: CGe EBITDA versus previous CGe



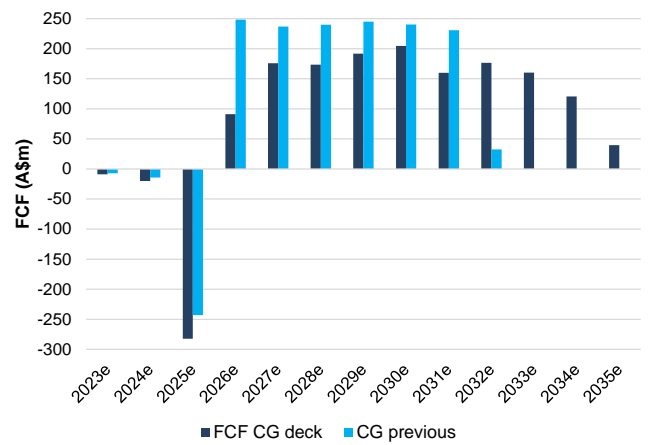
Source: Canaccord Genuity estimates

Figure 13: CGe free cash flow and net cash at CG price deck and spot



Source: Canaccord Genuity estimates

Figure 14: CGe free cash flow versus previous CGe



Source: Canaccord Genuity estimates

Appendix: Important Disclosures

Analyst Certification

Each authoring analyst of Canaccord Genuity whose name appears on the front page of this research hereby certifies that (i) the recommendations and opinions expressed in this research accurately reflect the authoring analyst's personal, independent and objective views about any and all of the designated investments or relevant issuers discussed herein that are within such authoring analyst's coverage universe and (ii) no part of the authoring analyst's compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed by the authoring analyst in the research, and (iii) to the best of the authoring analyst's knowledge, she/he is not in receipt of material non-public information about the issuer.

Analysts employed outside the US are not registered as research analysts with FINRA. These analysts may not be associated persons of Canaccord Genuity LLC and therefore may not be subject to the FINRA Rule 2241 and NYSE Rule 472 restrictions on communications with a subject company, public appearances and trading securities held by a research analyst account.

Sector Coverage

Individuals identified as "Sector Coverage" cover a subject company's industry in the identified jurisdiction, but are not authoring analysts of the report.

Investment Recommendation

Date and time of first dissemination: July 18, 2022, 16:30 ET

Date and time of production: July 18, 2022, 03:54 ET

Target Price / Valuation Methodology:

New World Resources - NWC

We have modelled a development scenario based on NWC's July 2022 Scoping Study using 1.0x forward curve and consensus commodity prices, and have applied a conservative 12% discount rate to our NPV. Our net asset valuation per share is based on a fully funded scenario.

Risks to achieving Target Price / Valuation:

New World Resources - NWC

Financing risks

As an exploration/pre-production company with no material income, NWC is reliant on equity and debt markets to fund development of its assets and progress its development pipeline. Accessing these markets may result in further dilution to shareholders.

Development and exploration risks

Development and exploration are subject to a number of risks and can require a high rate of capital expenditure. Risks can also be associated with conversion of Inferred Resources and lack of accuracy in the interpretation of geochemical, geophysical, drilling and other data. It is not known whether exploration will delineate further Mineral Resources, nor that the company will be able to convert the current mineral resource into minable reserves. There are also risks surrounding future project permitting.

Operating risks

If/when in production, the company will be subject to risks such as plant/equipment breakdowns, metallurgical (meeting design recoveries within a complex flowsheet), materials handling and other technical issues. An increase in operating costs could reduce the profitability and free cash generation from the operating assets considerably and negatively impact valuation. Further, the actual characteristics of an ore deposit may differ significantly from initial interpretations which can also materially impact forecast production from original expectations.

Commodity price and currency fluctuations

As with any mining company, NWC is directly exposed to commodity price and currency fluctuations. Commodity price fluctuations are driven by many macroeconomic forces including inflationary pressures, interest rates and supply and demand factors. These factors could reduce the profitability, costing and prospective outlook for the business.

Distribution of Ratings:

Global Stock Ratings (as of 07/18/22)

Rating	Coverage Universe		IB Clients
	#	%	%
Buy	645	68.40%	34.73%
Hold	125	13.26%	15.20%
Sell	11	1.17%	18.18%
Speculative Buy	156	16.54%	39.10%
	943*	100.0%	

*Total includes stocks that are Under Review

Canaccord Genuity Ratings System

BUY: The stock is expected to generate risk-adjusted returns of over 10% during the next 12 months.

HOLD: The stock is expected to generate risk-adjusted returns of 0-10% during the next 12 months.

SELL: The stock is expected to generate negative risk-adjusted returns during the next 12 months.

NOT RATED: Canaccord Genuity does not provide research coverage of the relevant issuer.

"Risk-adjusted return" refers to the expected return in relation to the amount of risk associated with the designated investment or the relevant issuer.

Risk Qualifier

SPECULATIVE: Stocks bear significantly higher risk that typically cannot be valued by normal fundamental criteria. Investments in the stock may result in material loss.

12-Month Recommendation History (as of date same as the Global Stock Ratings table)

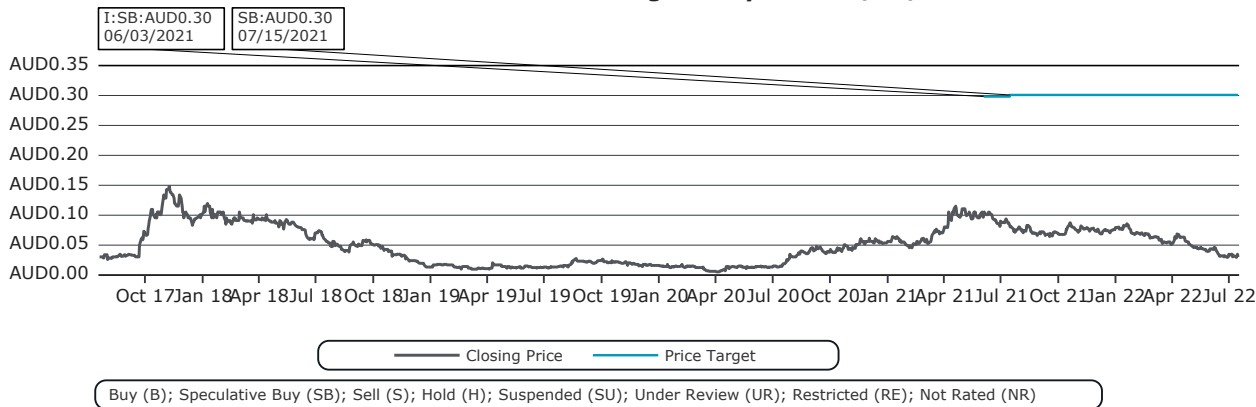
A list of all the recommendations on any issuer under coverage that was disseminated during the preceding 12-month period may be obtained at the following website (provided as a hyperlink if this report is being read electronically) <http://disclosures-mar.canaccordgenuity.com/EN/Pages/default.aspx>

Required Company-Specific Disclosures (as of date of this publication)

Canaccord Genuity or one or more of its affiliated companies intend to seek or expect to receive compensation for Investment Banking services from New World Resources in the next three months.

Prior to 10 January 2022 New World Resources (NWC-AU) was published under the Canaccord Genuity (Australia) Limited COLTS program.

New World Resources Rating History as of 07/15/2022



Required Company-Specific Disclosures (as of date of this publication)

Past performance

In line with Article 44(4)(b), MiFID II Delegated Regulation, we disclose price performance for the preceding five years or the whole period for which the financial instrument has been offered or investment service provided where less than five years. Please note price history refers to actual past performance, and that past performance is not a reliable indicator of future price and/or performance.

Online Disclosures

Up-to-date disclosures may be obtained at the following website (provided as a hyperlink if this report is being read electronically) <http://disclosures.canaccordgenuity.com/EN/Pages/default.aspx>; or by sending a request to Canaccord Genuity Corp. Research, Attn: Disclosures, P.O. Box 10337 Pacific Centre, 2200-609 Granville Street, Vancouver, BC, Canada V7Y 1H2; or by sending a request by email to disclosures@cgf.com. The reader may also obtain a copy of Canaccord Genuity's policies and procedures regarding the dissemination of research by following the steps outlined above.

General Disclaimers

See "Required Company-Specific Disclosures" above for any of the following disclosures required as to companies referred to in this report: manager or co-manager roles; 1% or other ownership; compensation for certain services; types of client relationships; research analyst conflicts; managed/co-managed public offerings in prior periods; directorships; market making in equity securities and related derivatives. For reports identified above as compendium reports, the foregoing required company-specific disclosures can be found in a hyperlink located in the section labeled, "Compendium Reports." "Canaccord Genuity" is the business name used

by certain wholly owned subsidiaries of Canaccord Genuity Group Inc., including Canaccord Genuity LLC, Canaccord Genuity Limited, Canaccord Genuity Corp., and Canaccord Genuity (Australia) Limited, an affiliated company that is 80%-owned by Canaccord Genuity Group Inc.

The authoring analysts who are responsible for the preparation of this research are employed by Canaccord Genuity Corp. a Canadian broker-dealer with principal offices located in Vancouver, Calgary, Toronto, Montreal, or Canaccord Genuity LLC, a US broker-dealer with principal offices located in New York, Boston, San Francisco and Houston, or Canaccord Genuity Limited., a UK broker-dealer with principal offices located in London (UK) and Dublin (Ireland), or Canaccord Genuity (Australia) Limited, an Australian broker-dealer with principal offices located in Sydney and Melbourne.

The authoring analysts who are responsible for the preparation of this research have received (or will receive) compensation based upon (among other factors) the Investment Banking revenues and general profits of Canaccord Genuity. However, such authoring analysts have not received, and will not receive, compensation that is directly based upon or linked to one or more specific Investment Banking activities, or to recommendations contained in the research.

Some regulators require that a firm must establish, implement and make available a policy for managing conflicts of interest arising as a result of publication or distribution of research. This research has been prepared in accordance with Canaccord Genuity's policy on managing conflicts of interest, and information barriers or firewalls have been used where appropriate. Canaccord Genuity's policy is available upon request.

The information contained in this research has been compiled by Canaccord Genuity from sources believed to be reliable, but (with the exception of the information about Canaccord Genuity) no representation or warranty, express or implied, is made by Canaccord Genuity, its affiliated companies or any other person as to its fairness, accuracy, completeness or correctness. Canaccord Genuity has not independently verified the facts, assumptions, and estimates contained herein. All estimates, opinions and other information contained in this research constitute Canaccord Genuity's judgement as of the date of this research, are subject to change without notice and are provided in good faith but without legal responsibility or liability.

From time to time, Canaccord Genuity salespeople, traders, and other professionals provide oral or written market commentary or trading strategies to our clients and our principal trading desk that reflect opinions that are contrary to the opinions expressed in this research. Canaccord Genuity's affiliates, principal trading desk, and investing businesses also from time to time make investment decisions that are inconsistent with the recommendations or views expressed in this research.

This research is provided for information purposes only and does not constitute an offer or solicitation to buy or sell any designated investments discussed herein in any jurisdiction where such offer or solicitation would be prohibited. As a result, the designated investments discussed in this research may not be eligible for sale in some jurisdictions. This research is not, and under no circumstances should be construed as, a solicitation to act as a securities broker or dealer in any jurisdiction by any person or company that is not legally permitted to carry on the business of a securities broker or dealer in that jurisdiction. This material is prepared for general circulation to clients and does not have regard to the investment objectives, financial situation or particular needs of any particular person. Investors should obtain advice based on their own individual circumstances before making an investment decision. To the fullest extent permitted by law, none of Canaccord Genuity, its affiliated companies or any other person accepts any liability whatsoever for any direct or consequential loss arising from or relating to any use of the information contained in this research.

Research Distribution Policy

Canaccord Genuity research is posted on the Canaccord Genuity Research Portal and will be available simultaneously for access by all of Canaccord Genuity's customers who are entitled to receive the firm's research. In addition research may be distributed by the firm's sales and trading personnel via email, instant message or other electronic means. Customers entitled to receive research may also receive it via third party vendors. Until such time as research is made available to Canaccord Genuity's customers as described above, Authoring Analysts will not discuss the contents of their research with Sales and Trading or Investment Banking employees without prior compliance consent.

For further information about the proprietary model(s) associated with the covered issuer(s) in this research report, clients should contact their local sales representative.

Short-Term Trade Ideas

Research Analysts may, from time to time, discuss "short-term trade ideas" in research reports. A short-term trade idea offers a near-term view on how a security may trade, based on market and trading events or catalysts, and the resulting trading opportunity that may be available. Any such trading strategies are distinct from and do not affect the analysts' fundamental equity rating for such stocks. A short-term trade idea may differ from the price targets and recommendations in our published research reports that reflect the research analyst's views of the longer-term (i.e. one-year or greater) prospects of the subject company, as a result of the differing time horizons, methodologies and/or other factors. It is possible, for example, that a subject company's common equity that is considered a long-term 'Hold' or 'Sell' might present a short-term buying opportunity as a result of temporary selling pressure in the market or for other reasons described in the research report; conversely, a subject company's stock rated a long-term 'Buy' or "Speculative Buy" could be considered susceptible to a downward price correction, or other factors may exist that lead the research analyst to suggest a sale over the short-term. Short-term trade ideas are not ratings, nor are they part of any ratings system, and the firm does not intend, and does not undertake any obligation, to maintain or update short-term trade ideas. Short-term trade ideas are not suitable for all investors and are not tailored to individual investor circumstances and objectives, and investors should make their own independent decisions regarding any securities or strategies discussed herein. Please contact your salesperson for more information regarding Canaccord Genuity's research.

For Canadian Residents:

This research has been approved by Canaccord Genuity Corp., which accepts sole responsibility for this research and its dissemination in Canada. Canaccord Genuity Corp. is registered and regulated by the Investment Industry Regulatory Organization of Canada (IIROC) and is a Member of the Canadian Investor Protection Fund. Canadian clients wishing to effect transactions in any designated investment discussed should do so through a qualified salesperson of Canaccord Genuity Corp. in their particular province or territory.

For United States Persons:

Canaccord Genuity LLC, a US registered broker-dealer, accepts responsibility for this research and its dissemination in the United States. This research is intended for distribution in the United States only to certain US institutional investors. US clients wishing to effect transactions in any designated investment discussed should do so through a qualified salesperson of Canaccord Genuity LLC. Analysts employed outside the US, as specifically indicated elsewhere in this report, are not registered as research analysts with FINRA. These analysts may not be associated persons of Canaccord Genuity LLC and therefore may not be subject to the FINRA Rule 2241 and NYSE Rule 472 restrictions on communications with a subject company, public appearances and trading securities held by a research analyst account.

For United Kingdom and European Residents:

This research is distributed in the United Kingdom and elsewhere Europe, as third party research by Canaccord Genuity Limited, which is authorized and regulated by the Financial Conduct Authority. This research is for distribution only to persons who are Eligible Counterparties or Professional Clients only and is exempt from the general restrictions in section 21 of the Financial Services and Markets Act 2000 on the communication of invitations or inducements to engage in investment activity on the grounds that it is being distributed in the United Kingdom only to persons of a kind described in Article 19(5) (Investment Professionals) and 49(2) (High Net Worth companies, unincorporated associations etc) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended). It is not intended to be distributed or passed on, directly or indirectly, to any other class of persons. This material is not for distribution in the United Kingdom or elsewhere in Europe to retail clients, as defined under the rules of the Financial Conduct Authority.

For Jersey, Guernsey and Isle of Man Residents:

This research is sent to you by Canaccord Genuity Wealth (International) Limited (CGWI) for information purposes and is not to be construed as a solicitation or an offer to purchase or sell investments or related financial instruments. This research has been produced by an affiliate of CGWI for circulation to its institutional clients and also CGWI. Its contents have been approved by CGWI and we are providing it to you on the basis that we believe it to be of interest to you. This statement should be read in conjunction with your client agreement, CGWI's current terms of business and the other disclosures and disclaimers contained within this research. If you are in any doubt, you should consult your financial adviser.

CGWI is licensed and regulated by the Guernsey Financial Services Commission, the Jersey Financial Services Commission and the Isle of Man Financial Supervision Commission. CGWI is registered in Guernsey and is a wholly owned subsidiary of Canaccord Genuity Group Inc.

For Australian Residents:

This research is distributed in Australia by Canaccord Genuity (Australia) Limited ABN 19 075 071 466 holder of AFS Licence No 234666. To the extent that this research contains any advice, this is limited to general advice only. Recipients should take into account their own personal circumstances before making an investment decision. Clients wishing to effect any transactions in any financial products discussed in the research should do so through a qualified representative of Canaccord Genuity (Australia) Limited or its Wealth Management affiliated company, Canaccord Genuity Financial Limited ABN 69 008 896 311 holder of AFS Licence No 239052.

For Hong Kong Residents:

This research is distributed in Hong Kong by Canaccord Genuity (Hong Kong) Limited which is licensed by the Securities and Futures Commission. This research is only intended for persons who fall within the definition of professional investor as defined in the Securities and Futures Ordinance. It is not intended to be distributed or passed on, directly or indirectly, to any other class of persons. Recipients of this report can contact Canaccord Genuity (Hong Kong) Limited. (Contact Tel: +852 3919 2561) in respect of any matters arising from, or in connection with, this research.

Additional information is available on request.

Copyright © Canaccord Genuity Corp. 2022 – Member IIROC/Canadian Investor Protection Fund

Copyright © Canaccord Genuity Limited. 2022 – Member LSE, authorized and regulated by the Financial Conduct Authority.

Copyright © Canaccord Genuity LLC 2022 – Member FINRA/SIPC

Copyright © Canaccord Genuity (Australia) Limited. 2022 – Participant of ASX Group, Chi-x Australia and of the NSX. Authorized and regulated by ASIC.

All rights reserved. All material presented in this document, unless specifically indicated otherwise, is under copyright to Canaccord Genuity Corp., Canaccord Genuity Limited, Canaccord Genuity LLC or Canaccord Genuity Group Inc. None of the material, nor its content, nor any copy of it, may be altered in any way, or transmitted to or distributed to any other party, without the prior express written permission of the entities listed above.

None of the material, nor its content, nor any copy of it, may be altered in any way, reproduced, or distributed to any other party including by way of any form of social media, without the prior express written permission of the entities listed above.