

New World Resources Base Metals - Developer/Explorer

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

Thick, high-grades extend Antler ahead of resource update next quarter

New World Resources (NWC-ASX) has published three new deep drill results from the Antler Copper Project in Arizona. Among them is the deepest intercept to date at more than 1,000m down-dip from surface in the Main Shoot, extending known mineralisation a further 150m deeper than the nearest hole:

- **21.3m @ 3.3% Cu, 4.4% Zn, 1.4% Pb, 64.8g/t Ag & 0.72g/t Au** from 1,057.2m (5.3% CuEq) and includes 7.8m @ 11.3% CuEq.

Updated resource in DecQ to add significant tonnes: Assays are pending for 11 more completed holes, with two rigs continuing to drill extensional holes across the deposit. The company has highlighted that a number of significant assays are expected in the coming weeks, after which it will undertake an update to the resource estimation for delivery in the DecQ'22. The updated resource will also underpin a PFS in 2023.

Considering the current 7.7Mt @ 3.9% CuEq resource includes drilling down to 630m down-dip, we expect the upcoming resource to exceed 10Mt given this latest drilling demonstrates strong mineralisation beyond 1,000m down-dip.

Two other holes have been reported in today's release and appear to be defining the southern edge of the high-grade zone at Main Shoot. These holes highlight the polymetallic and zoned nature of VMS deposits on the margins of a high-grade core:

- 7.8m @ 1.6% Cu, 3.7% Zn, 0.8% Pb, 35.3g/t Ag & 0.19% g/t Au (3.1 CuEq) from 987m
- 8.7m @ 0.3% Cu, 0.02% Zn, 2.4% Pb, 138.7g/t Ag & 1.93g/t Au (2.1% CuEq) from 1,011m

Regional exploration work could add more sizzle: NWC is currently assessing opportunities along strike to the northeast from Antler, and has confirmed that it will undertake an IP survey next month over several strong soil anomalies at the likes of Copper Knob and Rattlesnake Ridge. Coincident IP and soil anomalies will then be drill tested later in 2022.

Scoping Study recap: In July 2022, NWC released a Scoping Study (SS) that 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). The company is working toward de-risking the project and anticipates delivery of a PFS in mid-2023.

Recent site visit: Earlier this month, we visited the Antler Copper Project, spending three days with NWC executives and its technical team.

Valuation and recommendation: More pleasing results from NWC as it extends Antler at depth ahead of a resource update next quarter. We also expect submission of permitting applications in the DecQ'22 ahead of a PFS in 2H23. We retain our SPECULATIVE BUY recommendation and A\$0.18 Price Target.

Rating
SPECULATIVE BUY

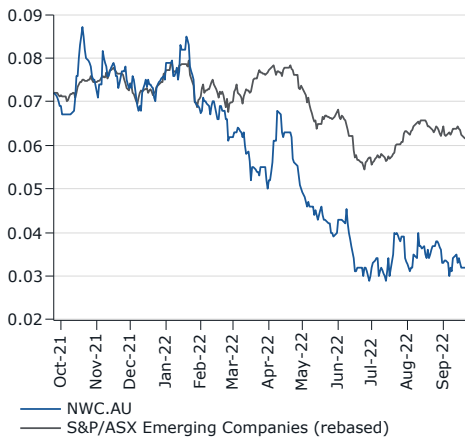
Price Target
A\$0.18

NWC-ASX

Price
A\$0.03

Market Data

52-Week Range (A\$) :	0.03 - 0.09
Avg Daily Vol (000s) :	3,256.35
Shares Out. (M) :	1,846.9
Market Cap (A\$M) :	60.9
Dividend /Shr (A\$) :	0.00
Dividend Yield (%) :	0.0



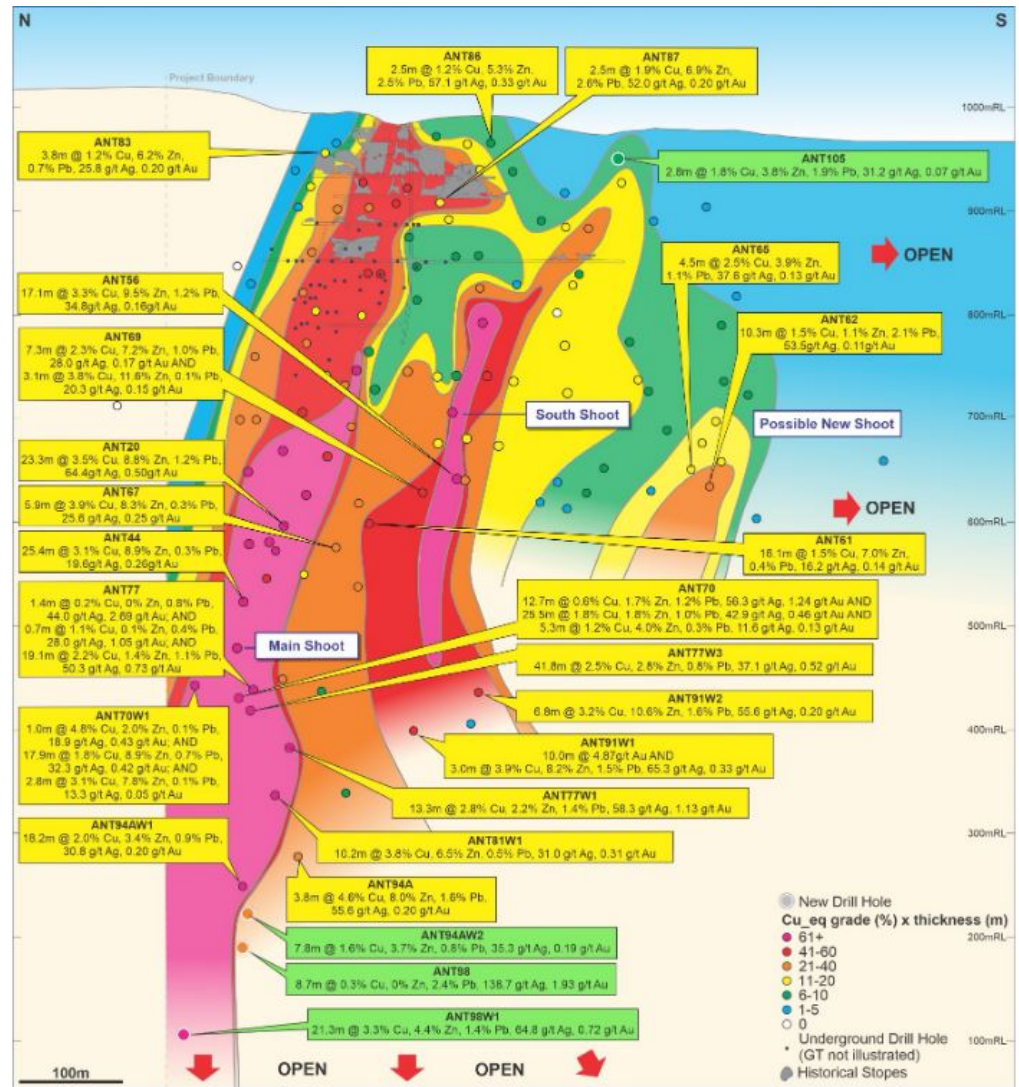
Source: FactSet

Priced as of close of business 23 September 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.

Canaccord Genuity received a fee for its role as Joint Lead Manager to New World Resources \$8m equity raise at \$0.032 on 27 July 2022.

Figure 1: Antler long section



Source: Company Reports

Appendix: Important Disclosures

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Investment Recommendation

Date and time of first dissemination: September 25, 2022, 22:28 ET

Date and time of production: September 25, 2022, 22:28 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.

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Global Stock Ratings (as of 09/26/22)

Rating	Coverage Universe		IB Clients
	#	%	%
Buy	633	66.49%	32.54%
Hold	143	15.02%	16.78%
Sell	10	1.05%	10.00%
Speculative Buy	159	16.70%	40.88%
	952*	100.0%	

*Total includes stocks that are Under Review

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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)

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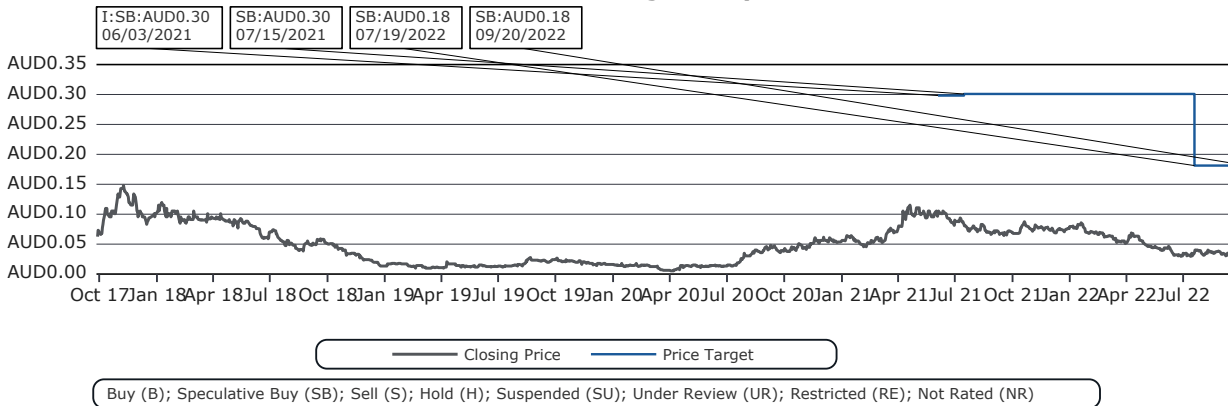
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New World Resources Rating History as of 09/23/2022



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