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High Grade Copper in Arizona

NWC | NEW WORLD RESOURCES LIMITED | MATERIALS | COPPER DEVELOPER
PRICE
0.04/sh
TARGET PRICE
0.14/sh
 (UNCHANGED)

RECOMMENDATION
SPECULATIVE BUY
 (UNCHANGED)

ANALYST
MICHAEL SCANTLEBURY
 MSCANTLEBURY@EUROZHARTLEYS.COM

Initiation of coverage - Developing Antler

NWC is looking to develop the highest Copper Eq. grade mine on the ASX, with its 100% owned Antler project in Arizona, USA.

The July-22 Scoping Study (SS) showed production of ~30kt of Cu Eq. over a ~10 year mine life at C1 costs of US\$1.66/lb Cu Eq. for capex of US\$201m, for a 1.2mtpa plant but at a 1Mtpa mining rate.

The Company is currently looking to release an updated SS in April, which will be based on its updated resource (Nov-22) which now stands at **11.4Mt at a 4.1% Cu. Eq.**, the focus will be on increasing the mining rate to fill the 1.2Mtpa plant.

NWC to give you copper exposure

Copper exposure: ~50% of the projects revenue is copper, with ~40% being zinc and the remaining 10% made up of silver, lead and gold.

Low capex - US\$201m (Incl. US\$36.5m contingency) for a 1.2Mtpa plant, means that funding is achievable with conventional means, unlike many of its larger capex peers.

High margin/ Low cost - C1 US\$1.66/lb Cu Eq. or Negative C1 US\$0.31/lb (net of by product costs), thanks to the high grade Antler orebody.

Decent production scale with upside - base case of 30.6kt Cu Eq. (15.4kt Cu), gives the project meaningful scale.

Tier 1 Infrastructure - Railway, mains power, interstate highway and skilled labour all easily accessible in Arizona, USA's largest copper producing state.

Exploration upside - A number of VMS targets along 6km of strike yet to be tested. Targets are coincident geochemistry / geophysical anomalies.

Action

We initiated with a Speculative Buy recommendation.

We have a **Price Target of A\$0.14/sh (~A\$520m)** which based on a blended Speculative scenarios (Figure 7). Current NPV12 Spot Commodity Valuation is A\$0.13/sh.

Our fully funded NPV12 Valuation is **A\$0.09/sh (~A\$330m)**.

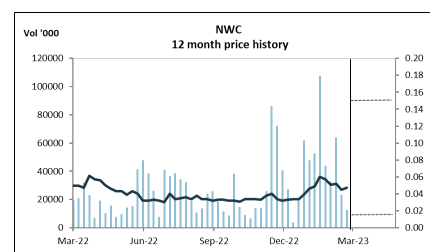
NWC ticks all the boxes we like to see in resource development: low capex, high margin. We believe investors are well placed for exposure to the copper price going forward owning NWC.

Catalyst

- Updated Scoping Study in April on the back of the updated resource (48% increase), looking to expand the throughput from 1.0Mtpa to 1.2Mtpa.
- Ongoing drill results of regional untested targets (Antler Offset, Copper Knob, Rattlesnake Ridge, Insulator and West World).
- Updated Resource DecQ CY23.
- PFS due DecQ CY23.
- DFS due DecQ CY24, and Mine Permit Approvals expected JunQ CY25.

Share Price	0.038	A\$/sh	
Price Target	0.14	A\$/sh	
Valuation (NPV12)	0.09	A\$/sh	
Shares on issue	2105.5 m,	dilute.	
Mkt Cap'n	82.3	A\$m	
Enterprise Value	73.2	A\$m	
Debt	0.0	A\$m	
Cash	9.1	A\$m	
Largest Shareholder*	Paradice	8.0%	
Prod'n F'cast	2026F	2027F	2028F
Antler Cu (kt)	0	8	15
C1 (US\$ /lb Cu eq.)	0.00	2.34	2.06
AISC (US\$ /lb Cu eq.)	0.00	2.52	2.22
Assumptions	2026F	2027F	2028F
Copper US\$/lb	3.80	3.80	3.80
US Gold	1700	1700	1700
AUDUSD	0.74	0.74	0.74
Key Financials	2026F	2027F	2028F
Revenue (A\$m)	0	160	317
EBITDA (A\$m)	-13	43	122
NPAT (A\$m)	-19	15	65
Cashflow (A\$m)	-324	37	118
CFPS (Ac)	-15	2	5
Major Shareholders	2026F	2027F	2028F
Paradice			8.0%
Ponderosa			6.0%
Dir & Man			4.1%

Performance



Source: Euroz Hartleys

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Market Statistics			
Share Price	0.038	A\$/sh	
Issued Capital		Directors	
FP Ord	2,105.5 m	R. Hill	NE Chair
Unlisted Opts	38.5 m	M. Haynes	MD & CEO
Unlisted Rights	22.7 m	T. Polglase	NE Dir
Total Dil. (itm)	2,166.7 m	N. Woolryc...	NE Dir
		I. Cunningh..	Sec
Mkt Capital'n	\$82.3 m	B. Nichols	CFO
Enterprise Value	\$73.2 m		
Debt	\$0.0 m	Holders	
Cash	\$9.1 m	Paradice	8.0%
Hedging	na	Ponderosa	6.0%
		Dir & Man	4.1%

Asset Valuation		
	Base Case	
	A\$m	A\$/sh
100% Antler 1.2Mtpa (NPV12)	280	0.07
Hedging	0	0.00
Corporate overheads	-31	-0.01
Regional Exploration	70	0.02
Net Cash/Debt	9	0.00
NPV12	328	0.09
Valuation @ Spot	453	0.12
Spot 0.67, Cu US\$3.94/lb,		
Price Target	521	0.14

Forecast Production	2026F	2027F	2028F
Antler (100%)			
Throughput (Mtpa)	-	0.7	1.2
Grade (Cu Eq. %)	-	3.0%	3.0%
Cu Prod'n (kt)	-	7.8	14.9
Cu Eq. Prod'n (kt)	-	13.8	27.7
C1 Cu Eq. (US\$/lbs)	-	2.34	2.06
AISC Cu Eq. (US\$/lbs)	-	2.52	2.22
Assumptions			
Copper (US\$/lbs)	3.80	3.80	3.80
Gold (US\$/oz)	1,700	1,700	1,700
FX (US\$:A\$)	0.74	0.74	0.74

Ratio Analysis (A\$m)	2026F	2027F	2028F
CF (A\$m)	(324)	37	118
CF / Sh (Ac/sh)	(15)	2	5
CF Ratio (x)	na	0	0
Earnings (A\$m)	(19)	15	65
EPS (Ac/sh)	(1)	1	3
EPS Growth (%)	na	na	328%
Earnings Ratio (x)	na	0	0
E'prise Val. (A\$m)	245	214	117
EV : EBITDA (attr)(x)	na	5	1
EV : EBIT (attr)(x)	na	8	1
Net Debt / ND+Eq (%)	44%	37%	10%
Net Debt : Equity (%)	80%	59%	12%
Interest Cover (x)	na	1	7
EBIT Margin (%)	na	17%	29%
ROE (%)	-9%	7%	22%
ROA (%)	-5%	4%	16%
Div. (Ac/sh)	-	-	-
Div. payout ratio	0%	0%	0%
Div. Yield	0%	0%	0%
Div. Franking	0%	0%	0%

Profit and Loss (A\$m)	2026F	2027F	2028F
Sales Revenue	-	160	317
Hedging Revenue	-	-	-
Interest Revenue	0	0	0
Other Revenue	-	-	-
TOTAL REVENUE	0	160	317
Operating Costs	-	104	183
Dep/Amort	-	17	29
O/H + New Bus Dev	8	8	8
WriteOff (expl'n)	5	5	5
Provisions	-	-	-
EBITDA	(13)	43	122
EBIT	(13)	26	93
Interest Expense	6	11	9
Net Profit bef Tax	(19)	15	84
Tax	-	-	19
Minority Interest	-	-	-
NET PROFIT	(19)	15	65
Net Adjustment	-	-	-
Net Profit After Adjustment	(19)	15	65

Cashflow (A\$m)	2026F	2027F	2028F
Net Profit	(19)	15	65
+ Working Capital Adj	-	-	-
+ Dep/Amort	-	17	29
+ Provisions	5	5	5
+ Tax Expense	-	-	19
- Tax Paid	-	-	-
Operating Cashflow	(14)	37	118
-Capex + Development	311	-	-
-Exploration	6	6	6
-Assets Purchased	-	-	15
+Asset Sales	-	-	-
Investing Cashflow	(317)	(6)	(21)
+ Equity Issues	168	-	-
+Loan Drawdown	186	-	-
+Other	-	-	-
-Loan Repayment	-	20	70
-Dividends	-	-	-
Financing Cashflow	354	(20)	(70)
Period Sur (Def)	24	11	27
Cash Balance	24	35	62
Net Cash Balance	(162)	(131)	(35)

Balance Sheet (A\$m)	2026F	2027F	2028F
Assets			
Cash	24	35	62
Current Receivables	0	0	0
Other Current Assets	0	0	0
Non-Current Assets	367	356	333
Total Assets	391	391	395
Liabilities			
Borrowings	186	166	96
Current Accounts Payable	1	1	1
Other Liabilities	1	1	1
Total Liabilities	188	168	98
Net Assets	203	224	297

Resources Antler (100%) - Copper Eq.	Mt	Grade	Kt Cu
Indicated	9.3	2.25%	
Inferred	2.5	1.55%	
Total	11.4	4.1% CuEq.	467
EV per Cu lb		A\$/lb Cu	0.08

Executive Summary

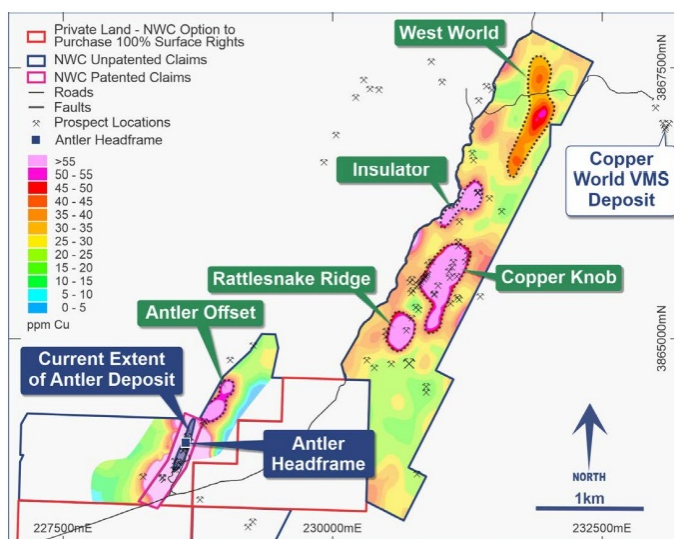
There is generally a lack of options for copper exposure on the ASX, with BHP's bid for OZL, it will mean that investors may look to the mid-tier ASX copper development companies, which NWC is well placed. The Antler Copper project is located in Arizona, USA, hosting a copper/ polymetallic (zinc dominant) Volcanic Massive Sulphide (VMS) deposit. The Company released a Scoping Study in July 2022, showing a 10 year mine life, at a 1Mtpa, producing 30.6ktpa of Cu Eq. at a Cash cost of US\$1.66/lb (Cu Eq.) for capex of US\$201m. The Company updated its resource in Nov-22, increasing tonnes by 48% to 11.4Mt. NWC is planning to release an updated Scoping Study in April utilising the updated resource, and we assume an increased mining rate of 1.2Mtpa, lifting metal output. The Company is planning to submit mine permit applications mid-2023, obtaining these permits is a major catalyst in our view. NWC in our view is an easy way for investors to get copper exposure being in a safe mining jurisdiction of Arizona, high margin project thanks to its high grade, but also relative low capex unlike many of its copper developer peers.

Figure 1: Antler Copper Project location



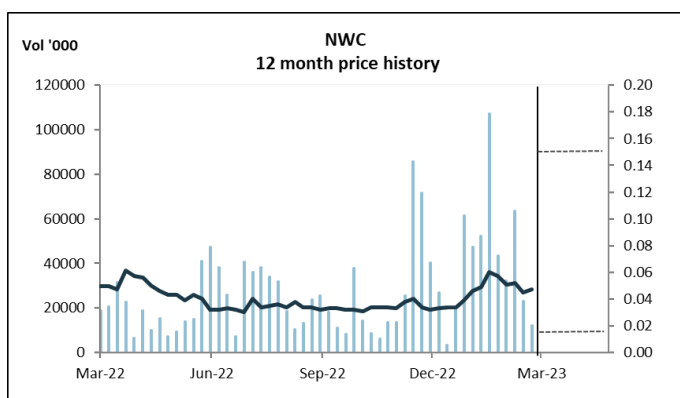
Source: NWC

Figure 2: Regional exploration targets



Source: NWC

Figure 3: Share price chart



Source: Euroz Hartleys Research

Figure 4: Bull, Base and Bear cases

Our Market Sensitivity

Valuation - \$0.09/sh
Price Target - \$0.14/sh

Bull Scenario - \$0.19/sh

At a NPV6 and spot commodity prices NWC is worth \$0.19/sh. This represents what the Company would be worth in a potential takeover scenario. If the Company had exploration success at one of the regional targets it could also allow blue sky upside value to be attributed.

Base Scenario - \$0.14/sh

Our modelling assumes Antler can be funded into production, through a mix of debt and equity 60:40. First copper concentrate production from Antler in FY27. Copper price stays around spot prices above our price forecast of US\$3.80/lb.

Bear Scenario - \$0.015/sh

NWC is leveraged to copper prices and sentiment which if deteriorate, would impact the share price. Permitting issues arise with state authorities in Arizona, stalling development

Source: Euroz Hartleys Research

Valuation - A\$0.09/sh

Our Valuation is based on our best attempt to pre-empt the upcoming Scoping Study update, which will utilise the increased resource released in Nov-22. Allowing for an increased mining rate from from 1.0Mtpa to 1.2Mtpa and mine life extended by 2 years to 12 years total. Our fully funded NPV12 Valuation is A\$0.09/sh (~A\$330m), we used the following key assumptions in our Base Valuation which vary from NWC July-22 SS, many of which are conservative and provide potential future upside to our base case.

- Capex of US\$230m vs NWC SS US\$201m.
- Increased mining rate of 1.2Mtpa vs NWC SS 1.0Mtpa.
- Production of ~15kt pa of Cu vs NWC SS 15.35kt pa
- C1 Cash operating costs of US\$2.05/lb Cu eq. vs NWC SS of US\$1.66/lb Cu eq.
- Copper price assumed to be US\$8,375/t (US\$3.80/lb) over LOM 1.2% lower vs NWC SS of US\$8,500/t (US\$3.85/lb).
- Zinc price assumed to be US\$2,600/t (US\$1.18/lb) over LOM 7% lower vs NWC SS of US\$2,800/t (US\$1.27/lb).
- At Euroz Hartleys commodity price assumptions the project will generate Pre-tax Cashflow of A\$140m pa Vs NWC SS of A\$193m pa.
- Capex funding to be 60% geared, with equity of 40%, raising ~A\$168m in FY26 (which we dilute for), Discount rate of 12% vs NWC SS 7%.
- Exploration value of A\$70m, which takes into account further mine life extensions and a nominal value on the regional exploration potential.
- A 25% Corporate tax rate assumption (Federal and State taxes).

Figure 5: Euroz Hartleys Base Valuation

Base Valuation	A\$m	A\$/sh
100% Antler 1.2Mtpa (NPV12)	280	0.07
Hedging	0	0.00
Corporate overheads	-31	-0.01
Regional Exploration	70	0.02
Net Cash/Debt	9	0.00
NPV12	328	0.09

Source: Euroz Hartleys Research

Figure 6: Key assumptions in our Base Valuation

Assumption	NWC SS (July-22)	Euroz Hartleys Assumptions	Spot prices
Copper	US\$8,500/t	US\$8,375/t	US\$8,677/t
Zinc	US\$2,800/t	US\$2,600/t	US\$2,925/t
Lead	US\$2,000/t	US\$2,050/t	US\$2,104/t
Silver	US\$20/oz	US\$22/oz	US\$22.5/oz
Gold	US\$1,800/oz	US\$1,700/oz	US\$1,980/oz
AUD/USD	0.70	0.74	0.67
Capex	US\$201m	US\$230m	
Mining rate	1.0Mtpa	1.2Mtpa	
Cu kt	17kt pa	15.kt pa	
Mine life	10 Years	12 Years	
C1 cost Cu eq.	US\$1.66/lb	US\$2.05/lb	
CF Pre-Tax av.	A\$193m pa	A\$140m pa	
Discount rate	7%	12%	

Source: Euroz Hartleys Research

Price Target - A\$0.14/sh

Our Price Target of A\$0.14/sh is a blend of the following Speculative scenarios:

- Our base case assumption using the assumptions laid out in the valuation section on the previous page.
- NPV12 at spot commodity and fx prices (as seen in Figure 6).
- NPV6 at spot commodity and fx prices, which could give an indication of what a larger miner may pay in a bull commodity cycle.
- NPV12 at US\$5.00/lb of Cu (other commodities and FX are at Euroz Hartleys assumptions) to show what the Company is worth in a copper bull market.

All scenarios are fully diluted / funded for capex.

Figure 7: 12-month Price Target Scenarios

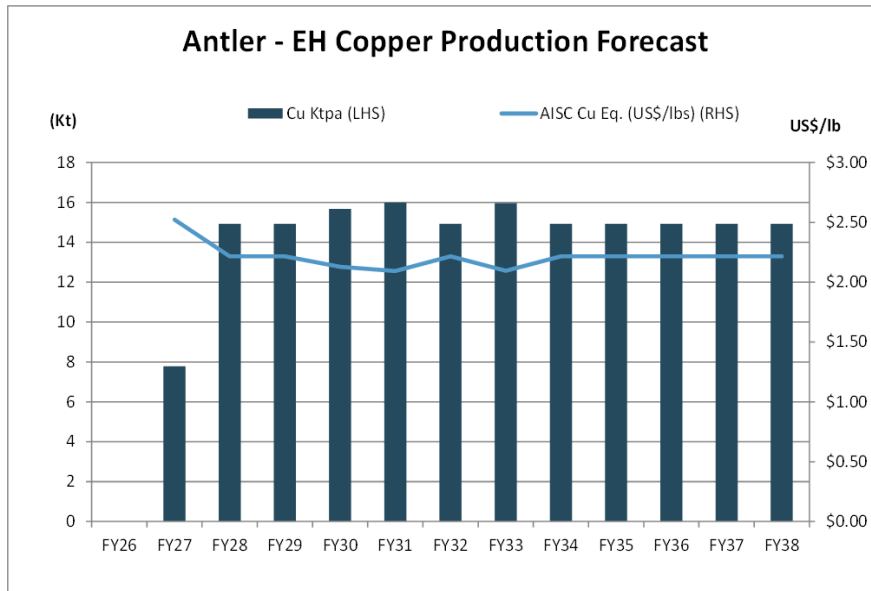
Price Target Scenarios	Weighting	A\$m	A\$/sh
Base Case NPV12	25%	328	0.09
NPV12 Spot Prices	25%	453	0.12
NPV6 @ Spot Prices	30%	734	0.19
NPV12 @ US\$5.00/lb Cu	20%	530	0.14
Weighted Price Target		521	0.14

Source: Euroz Hartleys Research

Production and Cash profile charts

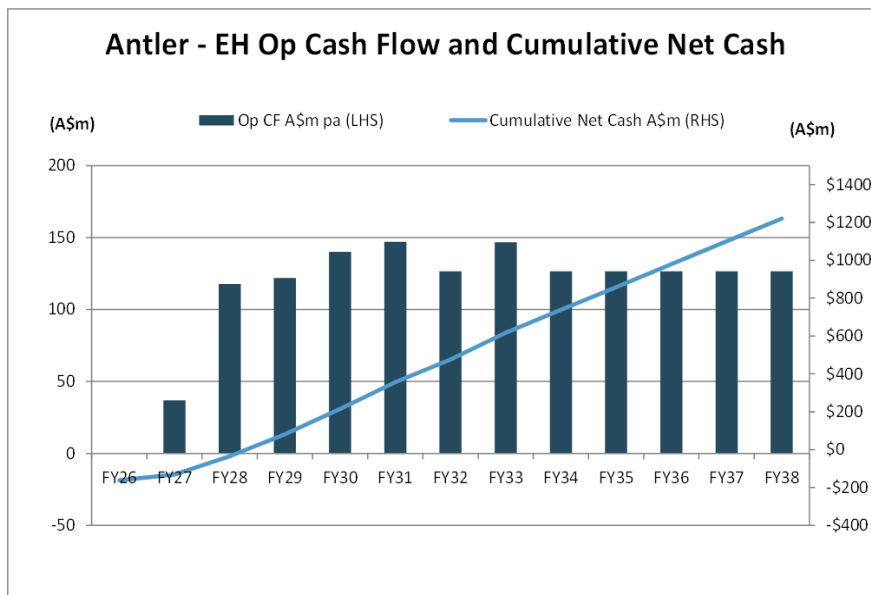
Below chart is our production forecast of AISC per lb of Cu. Our LOM average AISC is US\$2.20/lb which is conservative compared to the NWC's C1 US\$1.66/lb on an equivalent basis, which the largest differentiating factor being our lower assumed Zn of US\$2,600/t compared to US\$2,800/t.

Figure 8: Euroz Hartleys Research Production forecast



Source: Euroz Hartleys Research

Figure 9: Euroz Hartleys Research Operating Cashflow and Cumulative Net Cash



Source: Euroz Hartleys Research

Project timeline

NWC has outlined a project development timeline below. Major catalysts include:

- Updated Scoping Study April on the back of the updated resource (48% increase), looking to expand the throughput from 1.0Mtpa to 1.2Mtpa.
- Ongoing drill results of regional untested targets (Antler Offset, Copper Knob, Rattlesnake Ridge, Insulator and West World).
- Updated Resource DecQ CY23.
- PFS due DecQ CY23.
- DFS expected DecQ CY24.
- Mine Permit Applications will be submitted mid CY23.

Figure 11: Project timeline for the Antler Copper project

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													
Project Development/Construction													

Source: NWC

Capital and Operating costs

In NWC SS in July 2022, the Company outlines Pre-Production capital costs of US\$201m, which included contingency of US\$36.5m, assuming a mining contractor operated scenario.

It is worth noting that in the Company's capex of US\$201m, a processing plant of 1.2Mtpa was actually assumed, despite forecast mining rate of 1.0Mtpa. As a reminder we have assumed capex of US\$230m to be conservative and to take into account inflation.

Figure 12: Pre-production Capex (SS July-22)

Description	US\$ million
Mine fleet	-
Mine development	33.52
Ventilation Infrastructure	0.72
Mine Dewatering Infrastructure	0.48
Communications/IT	0.40
Site Infrastructure – Shops/Admin	2.50
Light Vehicles	0.20
Crushing	6.74
Crushed Ore Bin & Reclaim	3.04
Grinding	24.80
Gravity and classification	0.71
Flotation	22.30
Concentrate thicken/filter	14.57
Tailings Filter Plant	10.00
Paste plant	6.00
Reagents	1.10
Process control system	1.25
Tailings dry stack	5.95
On-site Infrastructure	2.24
Power	5.00
Water supply	0.17
Owner Costs/Project Management	3.85
Indirects	19.39
Contingency	36.50
Total Capital	201.42

Source: NWC

In terms of operating costs per tonne of ore milled, NWC assumes US\$85.9/t, which assumes a contractor miner making 25% margin. Processing costs of US\$18.9/t and G&A costs of US\$15/t.

Figure 13: Operating Cost per tonne milled. (SS July-22)

Cost Centre	US\$/tonne
Mining - Underground	52.03
Process Consumables	5.54
Power	3.76
Plant Maintenance	4.07
Plant Labour	5.53
G & A	15.00
Total	\$85.93

Source: NWC

The Company assumed sustaining capital costs of ~US\$30m over the LOM largely made up of lateral mine development.

Recoveries, Payabilities and TC/RCs

Metallurgical test work has been completed on the Antler copper project which did not show any red flags. In the SS copper recoveries of 85% with a concentrate grade of 28% Cu, were used. The Company assumed payability for copper of 96%. We have assumed recoveries and concentrate grades inline with the Company test work. Freight and insurance terms were assumed to be US\$17.5/wmt of concentrate.

Figure 14: Concentrate grade and recoveries used in the SS

Concentrate	Concentrate Grade (%)	Concentrate Recovery (%)
Copper	28.0	85.3
Lead	55.0	53.6
Zinc	52.5	89.5

Source: NWC

The Company has used treatment and refining costs (TC/RCs) and payabilities based on market reports (shown in the figures below), we have assumed similar numbers.

Figure 15: TC/RCs

	TC/RC (per dmt)	Refining Charges
Copper Concentrate	\$65.00 +\$0.065/lb	Au - \$5.53 per oz Ag - \$0.40 per oz
Zinc Concentrate	\$190.00	Au - \$15.00 per oz Ag - \$0.40 per oz
Lead Concentrate	\$90.00	Au - \$5.53 per oz Ag - \$0.40 per oz

Source: NWC

Figure 16: Metal Payabilities

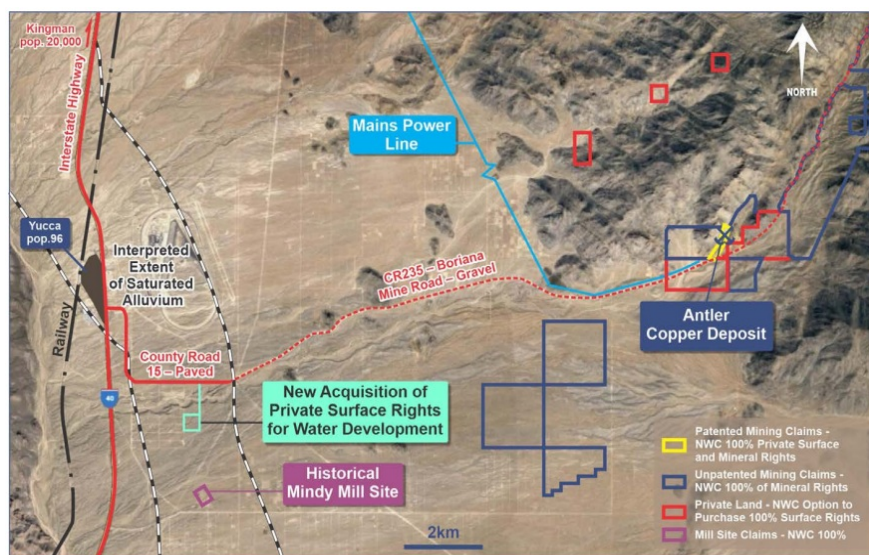
	Cu	Zn	Pb	Ag	Au
Copper Concentrate	96%	85%	95%	98%	70%
Zinc Concentrate	90%	95%	90%	90%	90%
Lead Concentrate	96%	85%	95%	95%	95%

Source: NWC

Location / Infrastructure

The Antler copper project is well serviced by infrastructure in Northern Arizona, USA. The project is 55km from the regional city of Kingman which has a population of 20,000, which would likely be the source of labour for the project development (no site accommodation required). The project is 15km from rail and an interstate highway. Mains power extend to site but will need to be upgraded. The Railway could potentially take containers of concentrate, lowering transport costs.

Figure 17: Project location in Northern Arizona, USA



Source: NWC

Permitting

The Company plans to submit its mine permit applications mid CY23, with the process expected to take 18-24 months for approval. NWC currently has experienced mining engineer: Dr. David Stone working as a contractor, who permitted and brought into production the Moss Gold Mine 60km west of Antler. Dr Stone also assisted with the SS. Worth noting that NWC will construct all surface infrastructure on privately owned land that NWC already owns and/or has an option to own. This means the majority of operational permits will be state authorisations. Recently acquired private land 12km west of Antler, could also host an aquifer which could be used as a future water source.

JORC Resource

Since releasing its SS in July-22, NWC has updated its Resource base, increasing tonnes by 48% to 11.4Mt. This clearly presents upside for the upcoming SS update due in April, which we have accounted for in our model by increasing our throughput assumption to 1.2Mtpa and extending the mine life to 12 years from 10 years.

In the SS the Company used a cut-off grade of 1.0% Cu eq. assuming mine dilution of 18.5% in the mine plan or 2Mt, which results in a diluted mining inventory of 9.27Mt at 1.62% Cu, 3.89% Zn, 0.64% Pb, 21.2 g/t Ag and 0.14 g/t Au (3.3% Cu eq.).

In an effort to be conservative we have assumed 10% additional mining dilution above the Company's SS estimates, this results in our diluted mining inventory head grade being ~3.0% Cu eq. average over the LOM.

Figure 18: JORC MRE Nov-22

Above 0.8% Cu-equivalent

Classification	Tonnes	Cu (%)	Zn (%)	Pb (%)	Ag (g/t)	Au (g/t)
Indicated	9,298,293	2.19	4.99	0.88	35.19	0.42
Inferred	2,489,855	1.49	4.28	0.83	20.62	0.18
Total	11,788,148	2.05	4.84	0.87	32.12	0.37

Above 1.0% Cu-equivalent

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

Above 1.5% Cu-equivalent

Classification	Tonnes	Cu (%)	Zn (%)	Pb (%)	Ag (g/t)	Au (g/t)
Indicated	8,754,122	2.31	5.25	0.91	36.48	0.40
Inferred	1,940,191	1.78	5.13	0.88	22.77	0.19
Total	10,694,313	2.21	5.23	0.91	33.99	0.36

Above 2.0% Cu-equivalent

Classification	Tonnes	Cu (%)	Zn (%)	Pb (%)	Ag (g/t)	Au (g/t)
Indicated	8,209,669	2.42	5.51	0.91	36.41	0.38
Inferred	1,588,114	2.02	5.83	0.87	23.16	0.19
Total	9,797,783	2.36	5.56	0.91	34.27	0.35

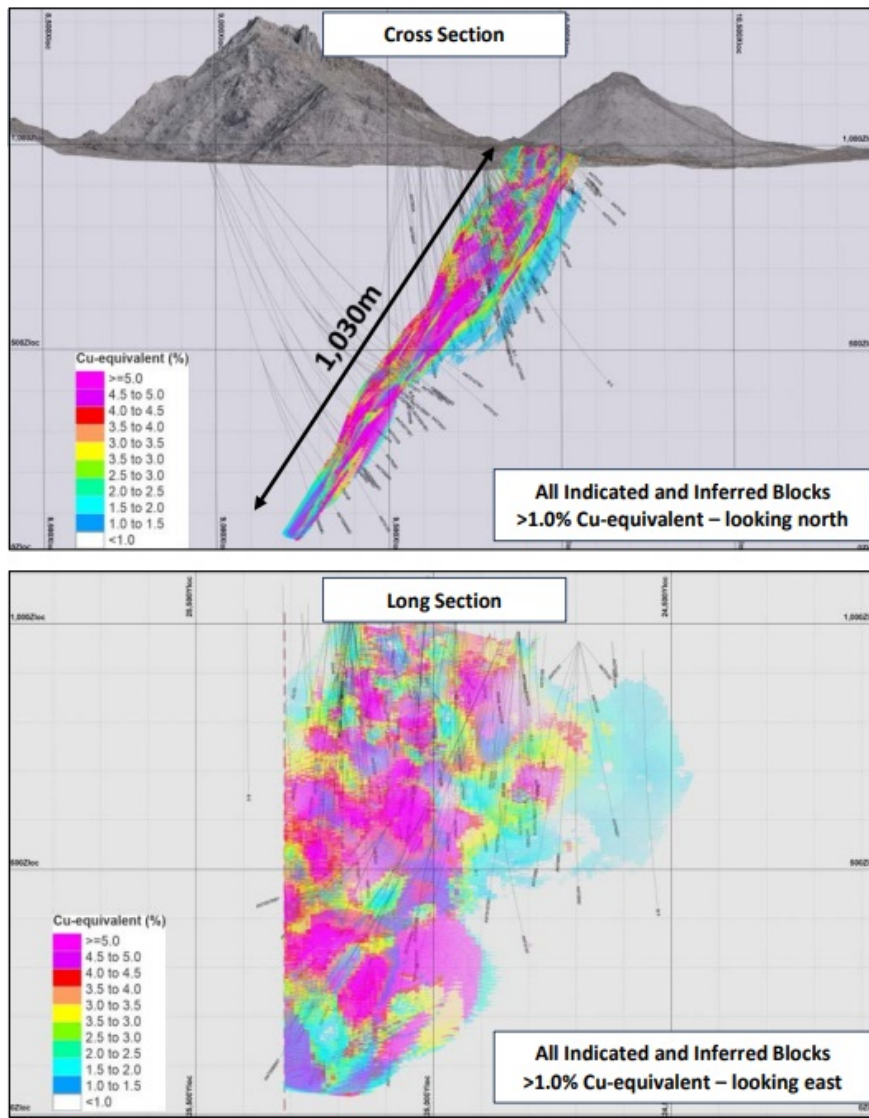
Source: NWC

Geology

The Antler deposit is a high grade polymetallic Volcanic Massive Sulphide (VMS) deposit, that is copper/zinc dominant, with lead/silver/gold also present. The deposit has a strike over ~750m and has been drilled down to +1km and remains open. The deposit dips at ~60° west-northwest. Structural thickening is evident throughout the orebody.

Given that black smokers (VMS) deposits generally occur in clusters we are excited about the regional exploration program.

Figure 19: Antler Cross and Long section



Source: NWC

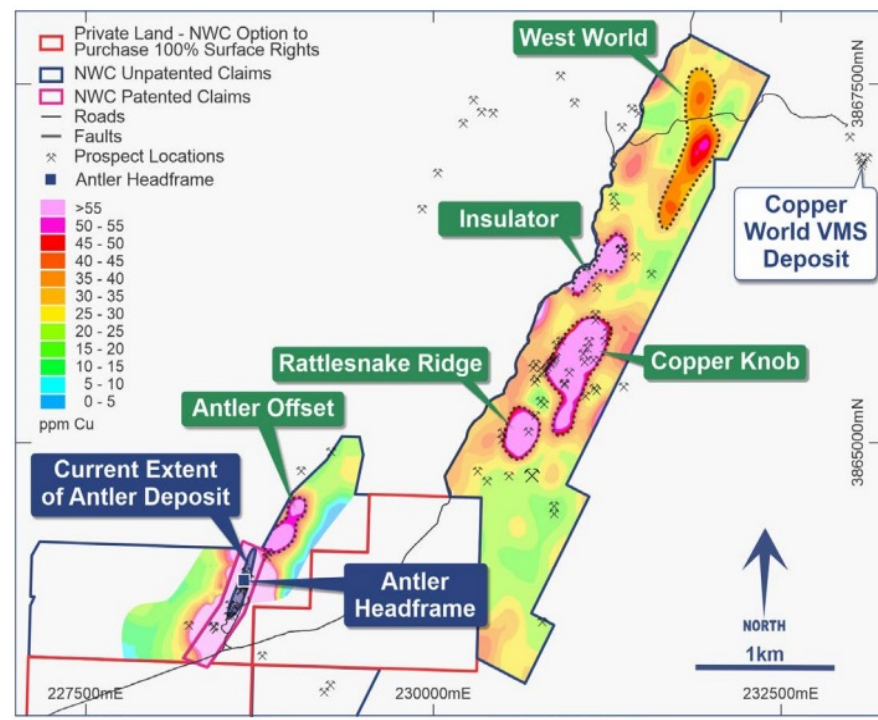
Exploration

There are numerous exploration targets surrounding Antler that are currently untested. The undrilled coincident geochemistry/geophysical (soil/IP) targets are particularly exciting as they lie within 6km of strike of Antler, which is prospective for further volcanic massive sulphide, given that they commonly occur in clusters. Copper mineralisation outcropping (copper gossans) are present at many of the regional targets including Rattlesnake Ridge. There remains potential for any economic mineralisation discovered regionally to be included into the back end of the Antler mine plan.

The Company plans to commence drill testing these regional targets shortly.

We have assumed a nominal A\$60m for regional exploration in our base valuation, which aims to take into account these regional targets but also depth extensions at the Antler deposit itself which still remains open at depth.

Figure 20: Regional Exploration targets

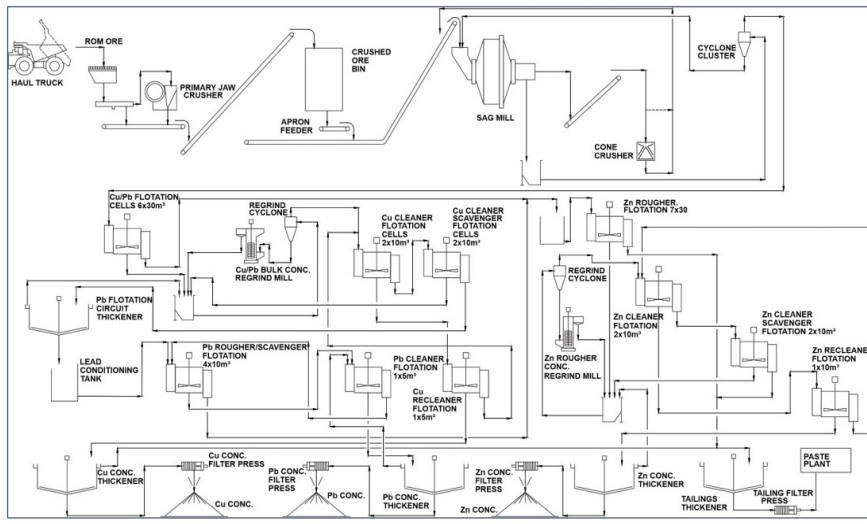


Source: NWC

Flow sheet

NWC plans on utilising a conventional flowsheet to produce 3 separate saleable concentrates, copper, zinc and lead. The processing plant will have a nominal throughput of up to 1.2Mtpa and we expect the updated SS mine design work to increase mine production to a rate of 1.2Mtpa. The plant is expected to produce a copper concentrate at a copper grade of 28% with recoveries of 85%. A Zinc concentrate grading 52-55% Zn at a recovery of 89.5% and a lead concentrate grading 55% lead and 1,750g/t Ag.

Figure 21: Process Flowsheet



Source: NWC

Site visit

In September 2022 we conducted a site visit to the Antler copper project. Noting the extent of historical workings at site, but also the Tier 1 nature of the Infrastructure: Railway, mains power, interstate highway and skilled labour all easily accessible in Arizona. We also got an understanding of recent mine approvals in the region, which gives us confidence that NWC will follow suit pending their submission in Mid CY23.

Figure 22: Historical Antler Headframe



Source: Euroz Hartleys Research

Figure 23: Diamond drill rig drilling Antler deeps



Source: Euroz Hartleys Research

Figure 24: Copper gossan at regional prospect (undrilled)



Source: Euroz Hartleys Research

Figure 25: Railway and power lines at Yucca

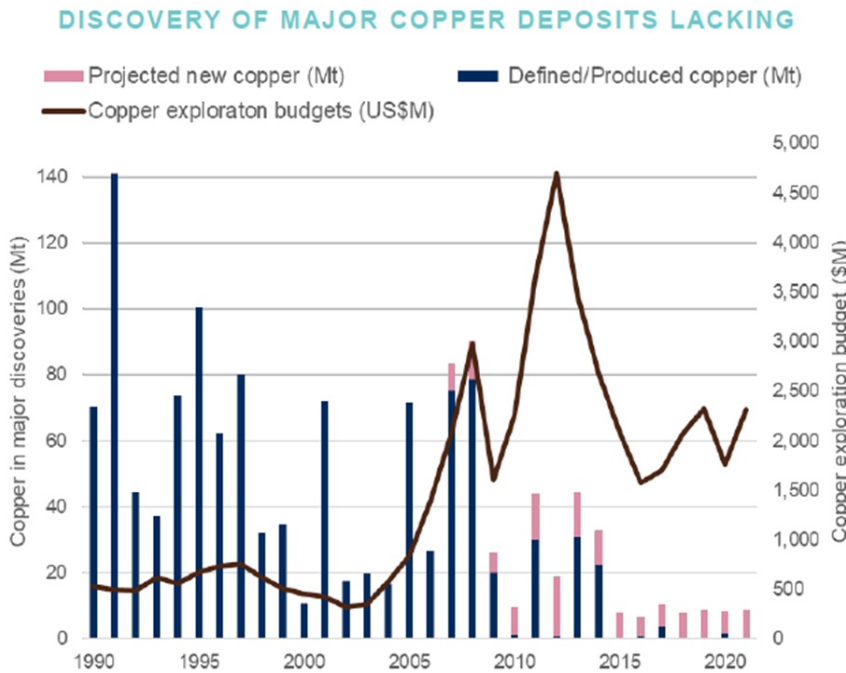


Source: Euroz Hartleys Research

Copper Macro Snapshot

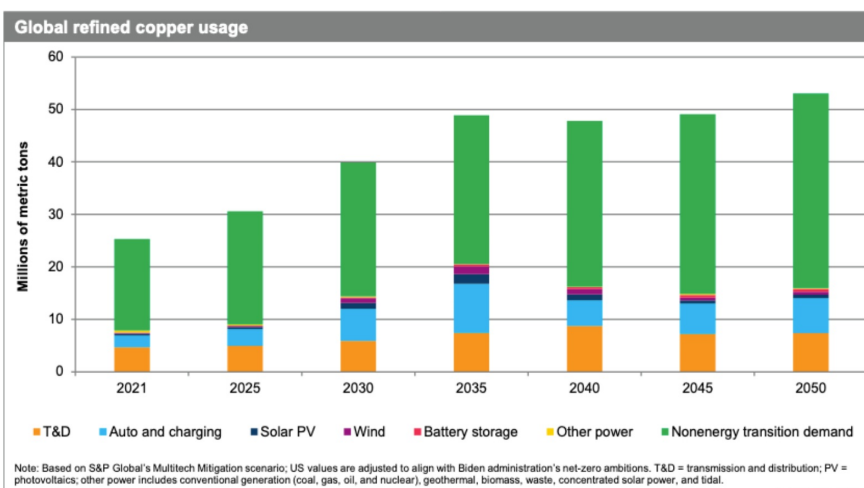
Despite increasing copper exploration budgets over the last 20 years there has been a lack of new discoveries. With the increasing use of copper especially in the electrification of the global transport network and general de-carbonisation of the world. In short this is one of the key reasons we are bullish on the copper price over the medium and long term, with large projected requirements of copper and limited supply only leads to one result, a higher incentive price to drive further investment in exploration and incentivise new supply.

Figure 26: Copper exploration budget vs new copper production



Source: S&P Global Market Intelligence

Figure 27: Projected global refined copper usage



Source: S&P Global Market Intelligence

Directors and Management

(from Company website)

Richard Hill

Chairman

Mr Hill is a geologist and solicitor with 25 years' experience in the resources industry. He has performed roles as commercial manager and geologist for several mid cap Australian mining companies and as founding director for a series of successful ASX-listed companies. Mr Hill has practical geological experience as a mine based and exploration geologist in a range of commodities.

Mike Haynes

Managing Director/CEO

Mr Haynes has more than 25 years' experience in the international resources industry. He graduated from the University of Western Australia with an honours degree in geology and geophysics and has explored for a wide variety of ore deposit styles throughout Australia and extensively in Southeast and Central Asia, Africa, Europe, South and North America.

Mr Haynes has held technical positions with both BHP Minerals and Billiton plc. He has worked extensively on project generation and acquisition throughout his career. During the past 13 years he has been intimately involved in the incorporation and initial public offerings of numerous resources companies, and in the ongoing financing and management of those and other companies.

Tony Polglase

Non-Executive Director

Mr Polglase has a Bachelor of Engineering First Class Honours degree in Metallurgy from the Camborne School of Mines and Higher National Certificates in both Mechanical Engineering and Electrical Engineering.

Mr Polglase started his career at the South Crofty Mine in Cornwall. Since then he has accumulated more than 40 years of experience working globally in different mining disciplines for companies including Ashanti, Rio Tinto, TVX and Ivernica in Africa, Europe, the Former Soviet Union, Australia, and, for the last decade, in Brazil. Mr Polglase was most recently both a founder and the Managing Director of Avanco Resources Limited, which he took to production and, later, acquisition by OZ Minerals Limited for \$418 million in 2018.

Nick Woolrych

Non-Executive Director

Mr Woolrych has more than 20 years' experience in the natural resources industry, including significant financing, operational, contracting and project development experience in Australia and internationally. He is passionate about developing and operating sustainable mining projects, driving a culture of safety and operational excellence, as well as delivering outcomes for shareholders.

As CEO of Diversified Minerals, Mr Woolrych was instrumental in the acquisition, financing and development of the underground Dargues Gold Mine in New South Wales and the Henty underground gold mine in Tasmania.

His technical and corporate skills and knowledge will be very valuable to New World as it advances its very high-grade Antler Copper Deposit in Arizona, USA back into production.

Ian Cunningham

Company Secretary

Mr Cunningham is a Chartered Accountant and Chartered Secretary and holds a Bachelor of Commerce degree and Bachelor of Laws degree from the University of Western Australia. He has more than 13 years' experience in the resources industry in executive and senior management roles.

Key Risks

- Market Risk - General market risk.
- Commodity price - NWC is exposed to movements in Copper but also the Zinc price.
- Exploration risk - In our view NWC does not need further exploration success, as the mineralisation defined to date looks to be of standalone nature. Although we note that exploration by its very nature is high risk.
- Permitting risk - We assume that NWC will get approvals to mine the Antler copper project, as well as ongoing drill and environmental approvals.
- Funding risk - NWC is a developer that require funding in order to build the Antler copper project. Given the lack of recurring operating cashflow, we assume the Company will be able to secure a mix of both debt and equity for ongoing drilling and project development capex.
- We initiated with a Speculative Buy recommendation, reflective of the above risks.

Top 20 shareholders

Figure 28: NWC top 20 holders as of 21st of September 2022

Rank	Name	Shares	
1	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	156,339,198	8.46%
2	PONDEROSA INVESTMENTS (WA) PTY LTD	96,055,399	5.20%
3	BNP PARIBAS NOMINEES PTY LTD	53,792,320	2.91%
4	CITICORP NOMINEES PTY LIMITED	52,158,002	2.82%
5	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	51,509,492	2.79%
6	MR GEOFFREY KEVIN CAMPBELL	40,742,103	2.21%
7	AGGER HOLDINGS PTY LTD	40,000,000	2.17%
8	BULLSEYE GEOSERVICES PTY LTD	37,667,305	2.04%
9	FNL INVESTMENTS PTY LTD	34,500,000	1.87%
10	CS FOURTH NOMINEES PTY LIMITED	33,798,912	1.83%
11	SILVERPEAK NOMINEES PTY LTD	26,951,682	1.46%
12	CAMMELL FAMILY PTY LTD	23,499,820	1.27%
13	MARQUEE RESOURCES LIMITED	22,323,003	1.21%
14	NATIONAL NOMINEES LIMITED	22,253,031	1.20%
15	PONDEROSA INVESTMENTS (WA) PTY LTD	20,555,491	1.11%
16	BNP PARIBAS NOMS PTY LTD	19,508,111	1.06%
17	FNL INVESTMENTS PTY LTD	15,000,000	0.81%
18	BOND STREET CUSTODIANS LIMITED	14,453,776	0.78%
19	DON MARTIN SUPERANNUATION PTY LTD	13,000,000	0.70%
20	MT YUANHUI WANG	12,737,600	0.69%
	Total top 20	786,845,245	42.59%

Source: NWC

Personal disclosures

We hereby certify that all of the views expressed in this report accurately reflect our personal views about the subject company or companies and its or their securities, and we are not in possession of, nor does this Research contain any inside information.

No part of our compensation was, is or will be directly or indirectly, related to the specific recommendations or views expressed by the authoring analyst in this research, nor has any attempt been made to influence this Research.

Company disclosures

The companies and securities mentioned in this report, include:

New World Resources Limited (NWC) | Price 0.04 | Target price 0.14 | Recommendation Speculative Buy;

Price, target price and rating as at 21 March 2023 (not covered)*

Additional disclosures

Euroz Hartleys declares that it has acted as underwriter to, and/or arranged an equity issue in, and/or been engaged in a capital raising during the last year. Euroz Hartleys has received a fee for these services from: New World Resources Limited (NWC)

This company contributed to the travel and/or accommodation costs associated with the site visit. New World Resources Limited (NWC)

Other disclosures, disclaimers and certificates

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