

Further steps forward

NWC has made two notable announcements this week. We view both as positive milestones in the company's journey toward the ultimate development of the Antler Copper Project, and see the potential for these announcements to prompt renewed interest from investors in the name, particularly in light of recent weak performance. Specifically this week, the company has announced a positive set of exploration results, which suggest high potential for upside to the existing resource base (from both a tonnage and grade perspective). Hot on the heels of the exploration update, the company has also announced the appointment of current COO, Nick Woolrych to the position of MD & CEO, succeeding Mike Haynes, who will transition to a non-exec role, advising on exploration and resource growth. We maintain our overweight rating on NWC, with a 6cps target price based on our fully-funded NPV analysis.

Key Points

Antler: A high grade resource: As a reminder, Antler currently has a relatively small, but high-grade polymetallic resource (11.4Mt @ 2.1% Cu, 5% Zn, 0.9% Pb (4.1% CuEq)). The recent [PFS outlined a 12-year, 1.2Mtpa throughput operation](#), with Cu grades @1.6% and Zn @ 3.7% for production of ~30ktpa of CuEq at a C1 cost of ~US\$2/lb Cu Eq basis, and capex of US\$298m. Our base case modelling incorporates a 20-year life for Antler. This is underpinned by our belief in the [geological prospectivity in and around Antler](#) (in what is a prolific VMS region). We expect exploration success to give rise to Mineral Resource increases, which is consistent with the drill results released this week, where very high-grade assays were returned from holes drilled at the northern end of the Main Shoot at the Antler Copper Deposit, including 8.0m @ 5.9% Cu, 7.6% Zn, 0.6% Pb, 37.3g/t Ag and 0.46 g/t Au (8.0m @ 8.3% Cu-Equiv.). These results exceeded expectations from the Resource model and are expected to increase both tonnes and grade of the corresponding part of the Mineral Resource at the Antler Deposit

A New Phase for New World: NWC has announced that Nick Woolrych, current COO and Executive Director, has been appointed as MD and CEO effective immediately. Mr Woolrych succeeds Mike Haynes, who has resigned as MD after seven years in the role and will now transition to Non-Executive Director. Nick is a qualified mining engineer with more than 20 years' experience in the mining industry, including significant financing, operational, contracting and project development experience both in Australia and internationally. Nick possesses a deep understanding of the Antler Project as COO and Executive Director over the past 12 months & having led the recent PFS. Overall, we view this as a positive for the evolution of the company. Mike Haynes focus had been largely on exploration and resource growth, and the appointment of Nick Woolrych as MD is a clear signal that the company is increasingly moving its focus towards project development and ultimately production. Mike Haynes will remain as a non-exec, advising on the exploration and resources build out, which, we believe is still a critical part of the overall [value proposition of the company](#).

Upcoming catalysts: With two drill rigs running, we would expect further drill hole (and separate geophysics) updates during 2HCY24, in addition to newsflow on permitting progress, and potentially an update of the Antler Resource base. Furthermore, we flag the potential for copper prices to rally into year end inline with potential US rate cuts and a seasonal activity uptick in China.

Financial summary (Y/E Jun, AUD)	FY25A	FY26A	FY27E	FY28E	FY29E
Sales (\$m)	0.0	0.0	0.0	112.6	361.6
EBITDA norm (\$m)	(24.0)	(25.0)	(15.0)	33.6	182.3
EBITDA growth (%)	584.7	4.2	(40.0)	(323.9)	442.8
EV/EBITDA (x)	n/m	3.0	n/m	8.0	0.8
FCF yield (%)		(12.1)	(3.1)	23.3	106.5

Source: Company data, Wilsons Advisory estimate, Refinitiv, IRESS.
All amounts are in Australian Dollar (A\$) unless otherwise stated.

Wilsons Advisory Equity Research

Analyst(s) who owns shares in the Company: n/a Issued by Wilsons Advisory and Stockbroking Limited (Wilsons Advisory) ABN 68 010 529 665 – Australian Financial Services Licence No 238375, a participant of ASX Group and should be read in conjunction with the disclosures and disclaimer in this report. Important disclosures regarding companies that are subject of this report and an explanation of recommendations can be found at the end of this document.

Recommendation	OVERWEIGHT
12-mth target price (AUD)	\$0.06
Share price @ 28-Aug-24 (AUD)	\$0.02
Forecast 12-mth capital return	215.8%
Forecast 12-mth dividend yield	0.0%
12-mth total shareholder return	215.8%

Market cap (\$m)	54.0
Enterprise value (\$m)	(73.8)
Shares on issue (m)	2,840
Sold short (%)	0.1
ASX All Ords weight (%)	0.0
Median turnover/day (\$m)	0.2

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12-mth price performance (\$)



	1-mth	6-mth	12-mth
Abs return (%)	(29.6)	(44.1)	(44.1)
Rel return (%)	(30.8)	(46.7)	(50.4)

Key changes		3-Jun	After	Var %
EBITDA	FY27E	(15.0)	(15.0)	0%
norm	FY28E	33.6	33.6	0%
(\$m)	FY29E	182.3	182.3	0%
NPAT	FY27E	(10.6)	(10.6)	0%
norm	FY28E	10.1	10.1	0%
(\$m)	FY29E	101.4	101.4	0%
Price target		0.06	0.06	0%
Rating		O/W	O/W	

Business Description

New World Resources is a ~A\$50m Market Cap company, listed on the ASX. The company's flagship asset is its 100% owned Antler Copper/Base Metals project, (located in Arizona, USA), which is one of the highest-grade undeveloped copper projects globally.

Catalysts

Upcoming FS release, and progressive exploration announcements.

Investment Thesis

Emerging exposure to the structurally positive copper sector. Furthermore, the company is expected to progressively de risk the project by moving along the study/development pathway. We also believe a key attraction for investors is the geological prospectivity in and around the existing Antler deposit, which we believe is likely to see significant upsizing of the resource over time.

Risks

Study risk, financing risk, permitting risk, construction and ramp up risk.

P&L (\$m)	FY25A	FY26A	FY27E	FY28E	FY29E
Sales	0.0	0.0	0.0	112.6	361.6
EBITDA norm	(24.0)	(25.0)	(15.0)	33.6	182.3
EBIT norm	(24.0)	(25.0)	(15.0)	25.3	155.5
PBT norm	(23.2)	(21.1)	(15.1)	14.4	144.8
NPAT norm	(16.2)	(14.8)	(10.6)	10.1	101.4
NPAT reported	(16.2)	(14.8)	(10.6)	10.1	101.4
EPS norm (cents)	(0.3)	(0.3)	(0.2)	0.2	1.5
DPS (cents)	0.0	0.0	0.0	0.0	0.0

Growth (%)	FY25A	FY26A	FY27E	FY28E	FY29E
Sales	n/m	n/m	n/m	n/m	221.1
EBITDA norm	584.7	4.2	(40.0)	(323.9)	442.8
NPAT norm	481.5	(8.8)	(28.4)	(194.9)	908.1
EPS norm (cents)	127.2	0.6	(36.5)	(194.9)	907.8
DPS (cents)	n/m	n/m	n/m	n/m	n/m

Margins and returns (%)	FY25A	FY26A	FY27E	FY28E	FY29E
EBITDA margin	n/m	n/m	n/m	29.8	50.4
EBIT margin	n/m	n/m	n/m	22.5	43.0
PBT margin	n/m	n/m	n/m	12.8	40.1
NPAT margin	n/m	n/m	n/m	8.9	28.0
ROA	n/m	n/m	n/m	4.8	24.9
ROIC	n/m	n/m	n/m	5.4	34.8
ROE	n/m	n/m	n/m	4.0	28.8

Interims (\$m)	2H25A	1H26A	2H26A	1H27E	2H27E
Sales	0.0	0.0	0.0	0.0	0.0
EBITDA norm	(12.0)	(12.5)	(12.5)	(12.5)	(2.5)
EBIT norm	(12.0)	(12.5)	(12.5)	(12.5)	(2.5)
PBT norm	(11.7)	(12.1)	(9.1)	(10.9)	(4.2)
NPAT norm	(8.2)	(8.4)	(6.3)	(7.7)	(2.9)
NPAT reported	(8.2)	(8.4)	(6.3)	(7.7)	(2.9)
EPS norm (cents)	(0.1)	(0.2)	(0.1)	(0.1)	(0.0)
DPS (cents)	0.0	0.0	0.0	0.0	0.0

Balance sheet (\$m)	FY25A	FY26A	FY27E	FY28E	FY29E
Cash & equivalents	24.6	217.7	107.0	55.8	175.4
Current receivables	0.6	0.6	0.6	0.6	0.6
Current inventory	0.0	0.0	0.0	0.0	0.0
PPE	17.2	79.4	359.5	420.7	402.5
Intangibles	0.0	0.0	0.0	0.0	0.0
Other assets	46.7	46.7	46.7	46.7	46.7
Total assets	89.2	344.4	513.8	523.8	625.2
Current payables	2.6	2.6	2.6	2.6	2.6
Total debt	0.0	90.0	270.0	270.0	270.0
Other liabilities	0.0	0.0	0.0	0.0	0.0
Total liabilities	2.6	92.6	272.6	272.6	272.6
Minorities	0.0	0.0	0.0	0.0	0.0
Shareholders equity	86.6	251.8	241.2	251.2	352.6

Cash flow (\$m)	FY25A	FY26A	FY27E	FY28E	FY29E
Operating cash flow	(15.7)	(14.8)	(3.8)	31.8	141.7
Maintenance capex	0.0	0.0	0.0	(2.7)	(8.7)
Free cash flow	(15.7)	(14.8)	(3.8)	29.2	133.1
Growth capex	0.0	(62.0)	(280.0)	(63.8)	0.0
Acquisitions/disposals	(17.1)	(0.1)	(0.1)	(3.0)	0.0
Dividends paid	0.0	0.0	0.0	0.0	0.0
Other cash flow	0.0	0.0	(6.8)	(13.5)	(13.5)
Cash flow pre-financing	(32.7)	(76.9)	(290.7)	(51.2)	119.6
Funded by equity	30.0	180.0	0.0	0.0	0.0
Funded by cash/debt	(27.3)	(373.1)	110.7	51.2	(119.6)

Liquidity	FY25A	FY26A	FY27E	FY28E	FY29E
Cash conversion (%)	97.6	100.0	100.0	100.0	100.0
Net debt (\$m)	(24.6)	(127.7)	163.0	214.2	94.6
Net debt / EBITDA (x)	1.0	5.1	(10.9)	6.4	0.5
ND / ND + Equity (%)	(39.8)	(103.0)	40.3	46.0	21.2
EBIT / Interest expense (x)	29.4	6.5	n/m	2.3	14.6

Valuation	FY25A	FY26A	FY27E	FY28E	FY29E
EV / Sales (x)	n/m	n/m	n/m	2.4	0.4
EV / EBITDA (x)	n/m	3.0	n/m	8.0	0.8
EV / EBIT (x)	n/m	3.0	n/m	10.6	1.0
P / E (x)	n/m	n/m	n/m	12.4	1.2
P / BV (x)		0.5	0.5	0.5	0.4
FCF yield (%)		(12.1)	(3.1)	23.3	106.5
Dividend yield (%)	0.0	0.0	0.0	0.0	0.0
Payout ratio (%)	0.0	0.0	0.0	0.0	0.0
Weighted shares (m)	6,424	5,824	6,574	6,574	6,574

Source: Company data, Wilsons Advisory estimate, Refinitiv, IRESS.
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