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## SPEC BUY

|               |        |
|---------------|--------|
| Current Price | \$0.06 |
| Valuation     | \$0.16 |
| TSR (%)       | 150%   |

Code: **WIA**  
Sector: **Materials**

\* All figures in AUD unless stated otherwise

|                         |     |
|-------------------------|-----|
| Shares on Issue (M):    | 921 |
| Market Cap (\$M):       | 60  |
| - fully diluted (\$M)   | 64  |
| Net cash (\$M Dec 2023) | 7   |
| Enterprise value (\$M): | 53  |

|                            |        |        |
|----------------------------|--------|--------|
| 52 wk High/Low (ps):       | \$0.07 | \$0.02 |
| 12m av. daily vol. (Mshs): |        | 1.40   |

### Key Metrics

|               | FY27E | FY28E | FY29E |
|---------------|-------|-------|-------|
| P/E (x)       | -18.7 | -36.9 | 31.4  |
| EV/EBITDA (x) | 1.9   | 3.3   | 0.1   |

### Financials:

|                  | FY27E | FY28E | FY29E |
|------------------|-------|-------|-------|
| Revenue (\$M)    | 0     | 195   | 462   |
| EBIT (\$M)       | -8    | -15   | 47    |
| NPAT (A\$M)      | -11   | -22   | 19    |
| Net assets (\$M) | 293   | 263   | 260   |
| Op CF (\$M)      | 7     | 22    | 162   |
| Prod (koz Au)    | 0     | 80    | 186   |

### Projects

Damaran Belt, Namibia - Kokoseb Project  
Bouafle, Cote d'Ivoire  
Mankono, Cote d'Ivoire  
Bocanda, Cote d'Ivoire  
Issia, Cote d'Ivoire

### Share Price Graph and trading volumes (msh)



Friday, 15 March 2024

## WIA Gold (WIA)

### Kokoseb Update

Analyst | Patrick Streater

### Quick Read

WIA Gold's Kokoseb discovery continues to grow with recent drill results confirming depth extensions of broad continuous mineralisation across the deposit. Argonaut updates its inventory and mining scenario for Kokoseb and increases our price target from \$0.14 to \$0.16, reiterating our Speculative Buy rating. Our valuation changes are driven by recent gold price movements along with additional mining inventory increases since our January update.

### Key points

**Updated Argonaut Kokoseb Inventory:** Argonaut provides an updated inventory estimate for Kokoseb incorporating recent drilling reported since our last research note in early January – '[Fish in barrel](#)'. Argonaut estimates a total inventory of 2.05Moz at 1.11g/t Au using a 0.5g/t cut-off. Argonaut incorporates the additional mineralisation defined into our mining inventory of 45.7Mt at a diluted head grade of 1.14g/t Au for 1.68Moz. We assume a new 5Mtpa standalone development producing 155kozpa over a ten-year mine life. Our pre-tax NPV<sub>6</sub> valuation for Kokoseb stands at A\$799M using a flat A\$2700/oz gold price. At spot gold prices (\$3275/oz) our pre-tax NPV increases to A\$1.39B.

**Argonaut Kokoseb Site Visit:** Argonaut recently completed a site visit to WIA's Kokoseb discovery located in Namibia. Excellent infrastructure, stable democratic government and untapped geological endowment all make the country an ideal jurisdiction for mining.

**Namibia M&A:** M&A interest in Namibia continues with Chinese producer Yintai Gold announcing a C\$386M offer for Osino Resources. This bid trumped a prior offer for Osino by Dundee Precious Metals. Osino's Twin Hills Project is located 100km southeast of WIA's Kokoseb with both deposit's showing similar attributes. We continue to draw comparisons between Kokoseb and Twin Hill's to highlight the unrecognised value for Kokoseb yet to be priced in by the market.

**MRE update imminent:** The drill out at Kokoseb continues with multiple rigs onsite. We expect WIA to report a +2Moz resource for Kokoseb in the coming months once key extensional holes are drilled and assayed. Argonaut expects a high conversion rate of resource to reserve when Kokoseb moves into PFS studies, owing to the extensive strike length and no waste cover.

### Valuation & recommendation

Argonaut maintains a Speculative Buy recommendation with a price target increase to \$0.16 per share (\$0.14 prior). Price target increases are driven by the addition of 200koz of additional mining inventory and recent positive movements in the Australian gold price.



| <b>WIA Gold Limited</b>                       |                   |               |                |                |              |
|---|-------------------|---------------|----------------|----------------|--------------|
| ASX: WIA                                      | Shares (m)        | 921           |                |                |              |
|   | Share price (A\$) | 0.06          |                |                |              |
|   | Market Cap (A\$m) | 59            |                |                |              |
| Analyst: Patrick Streater<br>www.argonaut.com |                   |               |                |                |              |
| Key metrics                                   | FY25E             | FY26E         | FY27E          | FY28E          | FY29E        |
| EPS (Ac)                                      | (1.03)            | (0.93)        | (0.47)         | (0.63)         | 0.53         |
| DPS (Ac)                                      | 0.00              | 0.00          | 0.00           | 0.00           | 0.00         |
| P/E (x)                                       | (18.8)            | (19.4)        | (19.0)         | (37.5)         | 31.7         |
| EV/Ebit (x)                                   | (4.8)             | (4.5)         | 2.0            | (11.7)         | 0.6          |
| EV/Ebitda (x)                                 | (4.8)             | (4.5)         | 2.1            | 3.3            | 0.1          |
| EV/Production (x)                             | 0                 | 0             | 0              | 2,219          | 144          |
| Free cash flow yield (%)                      | (16.4%)           | (13.5%)       | (345.6%)       | (329%)         | 256.8%       |
| Dividend yield (%)                            | 0.0%              | 0.0%          | 0.0%           | 0.0%           | 0.0%         |
| Net debt (cash) (A\$m)                        | (5.6)             | (7.6)         | (74.3)         | 119.3          | (32.1)       |
| Gearing (%)                                   | (28.3%)           | (38.5%)       | (34.1%)        | 31%            | (14%)        |
| Profit & Loss                                 | FY25E             | FY26E         | FY27E          | FY28E          | FY29E        |
| Sales revenue (A\$m)                          | 0.0               | 0.0           | 0.0            | 194.8          | 462.1        |
| Operating costs (A\$m)                        | 0.0               | 0.0           | 0.0            | (132.3)        | (265.4)      |
| Exploraton expense (A\$m)                     | (9.4)             | (9.7)         | (5.7)          | (4.5)          | (4.6)        |
| Corporate overhead (A\$m)                     | (1.7)             | (1.7)         | (1.8)          | (3.7)          | (5.7)        |
| <b>Ebitda (A\$m)</b>                          | <b>(11.0)</b>     | <b>(11.4)</b> | <b>(7.5)</b>   | <b>54.3</b>    | <b>186.3</b> |
| Depreciation (A\$m)                           | (0.0)             | (0.0)         | (0.0)          | (69.5)         | (138.9)      |
| <b>Ebit (A\$m)</b>                            | <b>(11.1)</b>     | <b>(11.4)</b> | <b>(7.5)</b>   | <b>(15.2)</b>  | <b>47.4</b>  |
| Net interest (A\$m)                           | 0.0               | 0.0           | (3.6)          | (6.9)          | (4.8)        |
| <b>Pre-tax profit (A\$m)</b>                  | <b>(11.1)</b>     | <b>(11.4)</b> | <b>(11.2)</b>  | <b>(22.1)</b>  | <b>42.7</b>  |
| Tax (A\$m)                                    | 0.0               | 0.0           | 0.0            | 0.0            | (23.9)       |
| <b>Underlying earnings (A\$m)</b>             | <b>(11.1)</b>     | <b>(11.4)</b> | <b>(11.2)</b>  | <b>(22.1)</b>  | <b>18.7</b>  |
| Exceptional items (A\$m)                      | 0.0               | 0.0           | 0.0            | 0.0            | 0.0          |
| <b>Reported Earnings (A\$m)</b>               | <b>(11.1)</b>     | <b>(11.4)</b> | <b>(11.2)</b>  | <b>(22.1)</b>  | <b>18.7</b>  |
| Cash flow statement                           | FY25E             | FY26E         | FY27E          | FY28E          | FY29E        |
| Net profit (A\$m)                             | (1.9)             | (2.2)         | (5.9)          | (18.1)         | 22.7         |
| Depreciation (A\$m)                           | 0.0               | 0.0           | 0.0            | 69.5           | 138.9        |
| Exploration, interest and tax (A\$m)          | 0.2               | 0.2           | 3.1            | (11.4)         | (0.9)        |
| Working Capital (A\$m)                        | 0.0               | 0.0           | 10.0           | (20.0)         | 0.0          |
| Other (A\$m)                                  | 0.0               | 0.0           | 0.0            | 0.0            | 0.0          |
| <b>Operating cash flow (A\$m)</b>             | <b>(1.7)</b>      | <b>(2.0)</b>  | <b>7.3</b>     | <b>19.9</b>    | <b>160.7</b> |
| Capital expenditure (A\$m)                    | 0.0               | 0.0           | (208.0)        | (211.6)        | (7.3)        |
| Exploration (A\$m)                            | (8.0)             | (6.0)         | (3.0)          | (2.0)          | (2.0)        |
| Other (A\$m)                                  | 0.0               | 0.0           | 0.0            | 0.0            | 0.0          |
| <b>Free cash flow (A\$m)</b>                  | <b>(9.7)</b>      | <b>(8.0)</b>  | <b>(203.7)</b> | <b>(193.7)</b> | <b>151.4</b> |
| Dividends (A\$m)                              | 0.0               | 0.0           | 0.0            | 0.0            | 0.0          |
| Equity (A\$m)                                 | 10.0              | 10.0          | 270.4          | 0.0            | 0.0          |
| Debt draw / (repay) (A\$m)                    | 0.0               | 0.0           | 145.6          | (18.7)         | (59.0)       |
| <b>Net cash flow (A\$m)</b>                   | <b>0.3</b>        | <b>2.0</b>    | <b>212.3</b>   | <b>(212.4)</b> | <b>92.4</b>  |
| Balance sheet                                 | FY25E             | FY26E         | FY27E          | FY28E          | FY29E        |
| <b>Current assets</b>                         |                   |               |                |                |              |
| Cash at bank (A\$m)                           | 5.6               | 7.6           | 219.9          | 7.5            | 99.9         |
| Receivables (A\$m)                            | 0.0               | 0.0           | 0.0            | 0.0            | 0.0          |
| Inventories (A\$m)                            | 0.0               | 0.0           | 0.0            | 20.0           | 20.0         |
| Other (A\$m)                                  | 0.0               | 0.0           | 0.0            | 0.0            | 0.0          |
| <b>Current assets (A\$m)</b>                  | <b>5.6</b>        | <b>7.7</b>    | <b>220.0</b>   | <b>27.6</b>    | <b>119.9</b> |
| <b>Non-Current assets</b>                     |                   |               |                |                |              |
| PP& E and Development (A\$m)                  | 0.2               | 0.1           | 208.1          | 350.2          | 218.6        |
| Exploration & evaluation (A\$m)               | 20.1              | 20.1          | 20.1           | 20.1           | 20.1         |
| Other (A\$m)                                  | 0.0               | 0.0           | 0.0            | 0.0            | 0.0          |
| <b>Non-Current assets (A\$m)</b>              | <b>20.3</b>       | <b>20.2</b>   | <b>228.2</b>   | <b>370.3</b>   | <b>238.7</b> |
| <b>Total assets (A\$m)</b>                    | <b>25.9</b>       | <b>27.9</b>   | <b>448.1</b>   | <b>397.8</b>   | <b>358.6</b> |
| <b>Current liabilities</b>                    |                   |               |                |                |              |
| Payables (A\$m)                               | 0.4               | 0.4           | 10.0           | 10.0           | 10.0         |
| Short-term debt (A\$m)                        | 0.0               | 0.0           | 29.1           | 25.4           | 13.6         |
| Other (A\$m)                                  | 0.0               | 0.0           | 0.0            | 0.0            | 0.0          |
| <b>Current Liabilities (A\$m)</b>             | <b>0.4</b>        | <b>0.4</b>    | <b>39.1</b>    | <b>35.4</b>    | <b>23.6</b>  |
| <b>Non-current liabilities</b>                |                   |               |                |                |              |
| Long-term debt (A\$m)                         | 0.0               | 0.0           | 116.5          | 101.5          | 54.3         |
| Lease liabilities (A\$m)                      | 0.0               | 0.0           | 0.0            | 0.0            | 0.0          |
| Provisions (A\$m)                             | 0.0               | 0.0           | 0.0            | 0.0            | 0.0          |
| Deferred tax (A\$m)                           | 0.0               | 0.0           | 0.0            | 0.0            | 23.9         |
| Other (A\$m)                                  | 0.0               | 0.0           | 0.0            | 0.0            | 0.0          |
| <b>Non-Current liabilities (A\$m)</b>         | <b>0.0</b>        | <b>0.0</b>    | <b>116.5</b>   | <b>101.5</b>   | <b>78.2</b>  |
| <b>Total liabilities (A\$m)</b>               | <b>0.4</b>        | <b>0.4</b>    | <b>155.6</b>   | <b>136.9</b>   | <b>101.8</b> |
| <b>Net assets (A\$m)</b>                      | <b>25.5</b>       | <b>27.5</b>   | <b>292.5</b>   | <b>261.0</b>   | <b>256.8</b> |
| <b>Equity</b>                                 |                   |               |                |                |              |
| Contributed equity (A\$m)                     | 65.6              | 75.6          | 346.0          | 346.0          | 346.0        |
| Accumulated earnings (losses)                 | (40.2)            | (48.2)        | (53.5)         | (85.1)         | (89.2)       |
| <b>Total attributable equity</b>              | <b>25.5</b>       | <b>27.5</b>   | <b>292.5</b>   | <b>261.0</b>   | <b>256.8</b> |
| Minorities (A\$m)                             | 0.0               | 0.0           | 0.0            | 0.0            | 0.0          |
| <b>Total Equity (A\$m)</b>                    | <b>25.5</b>       | <b>27.5</b>   | <b>292.5</b>   | <b>261.0</b>   | <b>256.8</b> |

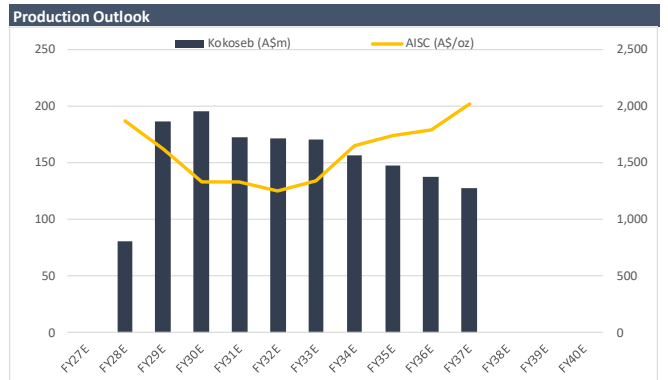
**Recommendation** **SPECULATIVE BUY**  
Price Target (A\$) 0.16  
TSR (%) 150.0%



| Commodity price assumption | FY24E | FY25E | FY26E | FY27E | FY28E | FY29E |
|----------------------------|-------|-------|-------|-------|-------|-------|
| Gold price (US\$/Oz)       | 2,014 | 2,188 | 2,125 | 2,075 | 2,089 | 2,124 |
| A\$/US\$ exchange rate (x) | 0.685 | 0.685 | 0.685 | 0.685 | 0.685 | 0.685 |
| Gold price (A\$/Oz)        | 3,091 | 3,365 | 3,269 | 3,192 | 3,213 | 3,268 |

| Mine production details | FY24E      | FY25E      | FY26E      | FY27E      | FY28E     | FY29E      |
|-------------------------|------------|------------|------------|------------|-----------|------------|
| <b>Gold production</b>  |            |            |            |            |           |            |
| Kokoseb (A\$m)          | 0.0        | 0.0        | 0.0        | 0.0        | 80        | 186        |
|                         |            |            |            |            | 0         | 0          |
| <b>Total (kOz)</b>      | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>80</b> | <b>186</b> |

| <b>AISC</b>           |          |          |          |          |              |              |
|-----------------------|----------|----------|----------|----------|--------------|--------------|
| Kokoseb (A\$/Oz)      | 0        | 0        | 0        | 0        | 1,871        | 1,619        |
| <b>Group (A\$/Oz)</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>1,871</b> | <b>1,619</b> |



| <b>Reserves and Resources</b> |                 |              |              |
|-------------------------------|-----------------|--------------|--------------|
| <b>Ore reserves</b>           |                 |              |              |
| <b>Project</b>                | <b>Ore (mt)</b> | <b>(g/t)</b> | <b>(kOz)</b> |
| Kokoseb                       | 0.0             | 0.00         | 0            |
| Other                         | 0.0             | 0.00         | 0            |
| <b>Total</b>                  | <b>0.0</b>      | <b>0.00</b>  | <b>0</b>     |
| EV/Reserve (A\$/Oz)           |                 |              |              |
| <b>Mineral Resources</b>      |                 |              |              |
| <b>Project</b>                | <b>Ore (mt)</b> | <b>(g/t)</b> | <b>(kOz)</b> |
| Kokoseb                       | 40              | 1.00         | 1,300        |
| Other                         | 0.0             | 0.00         | 0            |
| <b>Total</b>                  | <b>40</b>       | <b>1.00</b>  | <b>1,300</b> |
| EV/Resource (A\$/Oz)          |                 |              |              |
| 44                            |                 |              |              |

| <b>Board and Management</b> |                        |  |
|-----------------------------|------------------------|--|
| Andrew Pardey               | Non-Executive Chairman |  |
| Mark Arnesen                | Non-Executive Director |  |
| Steven Michael              | Non-Executive Director |  |

| Substantial shareholders | Shares (m) | Stake (%) |
|--------------------------|------------|-----------|
| Capital Drilling         | 183        | 19.9%     |
| BPM Capital              | 88         | 9.6%      |
| Montana & ELK            | 69         | 7.5%      |
| JP Morgan Nominees       | 48         | 5.2%      |

| Valuation                           | Spot Prices |             | Argonaut forecasts |             |
|-------------------------------------|-------------|-------------|--------------------|-------------|
|                                     | A\$m        | A\$/sh      | A\$m               | A\$/sh      |
| Asset                               |             |             |                    |             |
| Kokoseb(80%)6%DR after tax          | 621.4       | 0.14        | 335.1              | 0.08        |
| Other                               | 0.00        | 0.00        | 0.00               | 0.00        |
| Resources                           | 48          | 0.01        | 48                 | 0.01        |
| Hedge book                          | 0.0         | 0.00        | 0.0                | 0.00        |
| Corporate overhead                  | (24.4)      | (0.01)      | (24.4)             | (0.01)      |
| Unpaid capital                      | 166.8       | 0.05        | 166.8              | 0.05        |
| Cash                                | 6.9         | 0.00        | 6.9                | 0.00        |
| Debt                                | 0.0         | 0.00        | 0.0                | 0.00        |
| <b>Total</b>                        | <b>818</b>  | <b>0.19</b> | <b>532</b>         | <b>0.13</b> |
| Price Target (50/50 spot/base case) |             |             |                    | 0.16        |

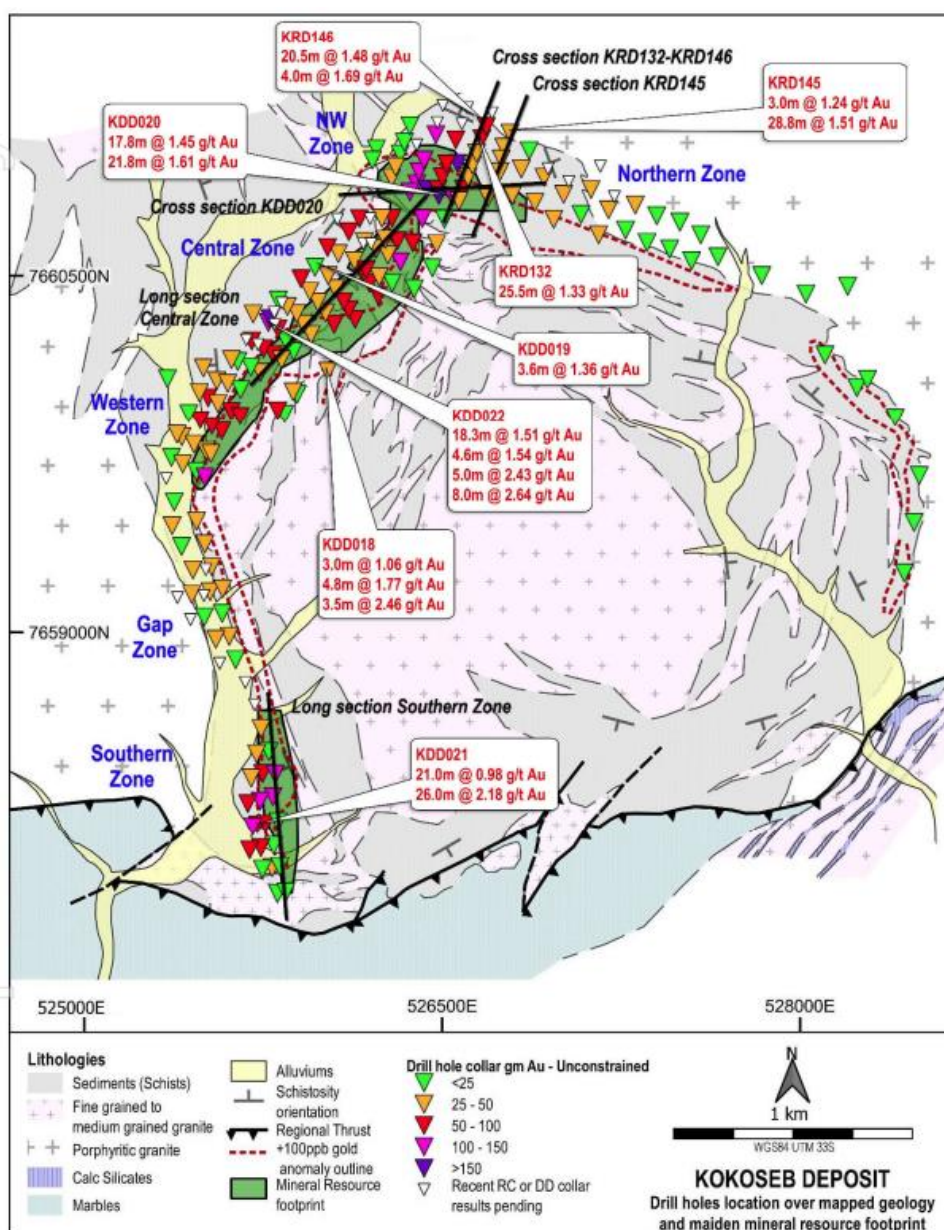


## Argonaut's Kokoseb Inventory Estimate

Using all reported drilling data Argonaut models a total inventory estimate of 2.05Moz at 1.11g/t Au for the Kokoseb deposit. Drilling at Kokoseb continues with a focus on extensional drilling that can be incorporated into the next MRE update. Potential for further growth of shallow resource ounces remains between the Gap and Southern Zone along with depth extensions along the strike length of the deposit. Shallow intercepts at the eastern margin of Kokoseb such as 8.8m at 1.6g/t from 18m are yet to be followed up with further drilling and not included in our modelled estimate.

Argonaut models an inventory estimate of 2.05Moz for the Kokoseb discovery

Figure 2 – Map of the Kokoseb deposit with all completed drilling by WIA.



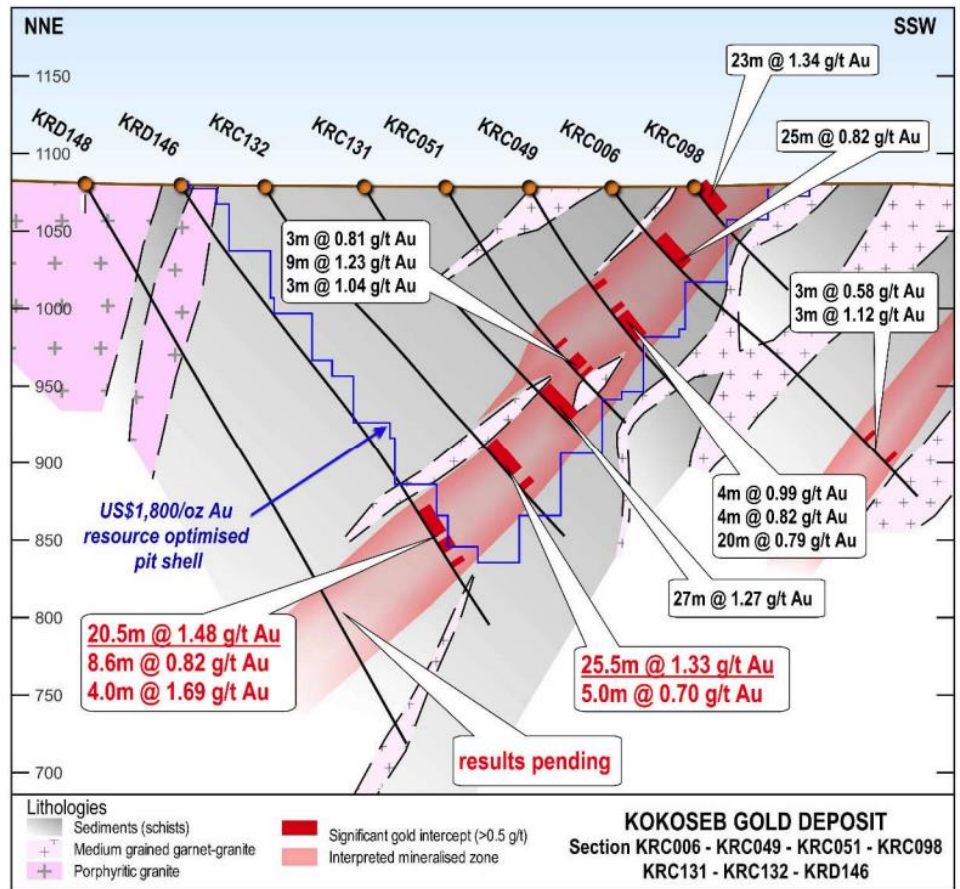
The eastern and southern margins of the Kokoseb granitic pluton are yet to be effectively drill tested

Source: WIA, March 2024



Figure 3 – Cross section of recent intercepts from the Kokoseb deposit.

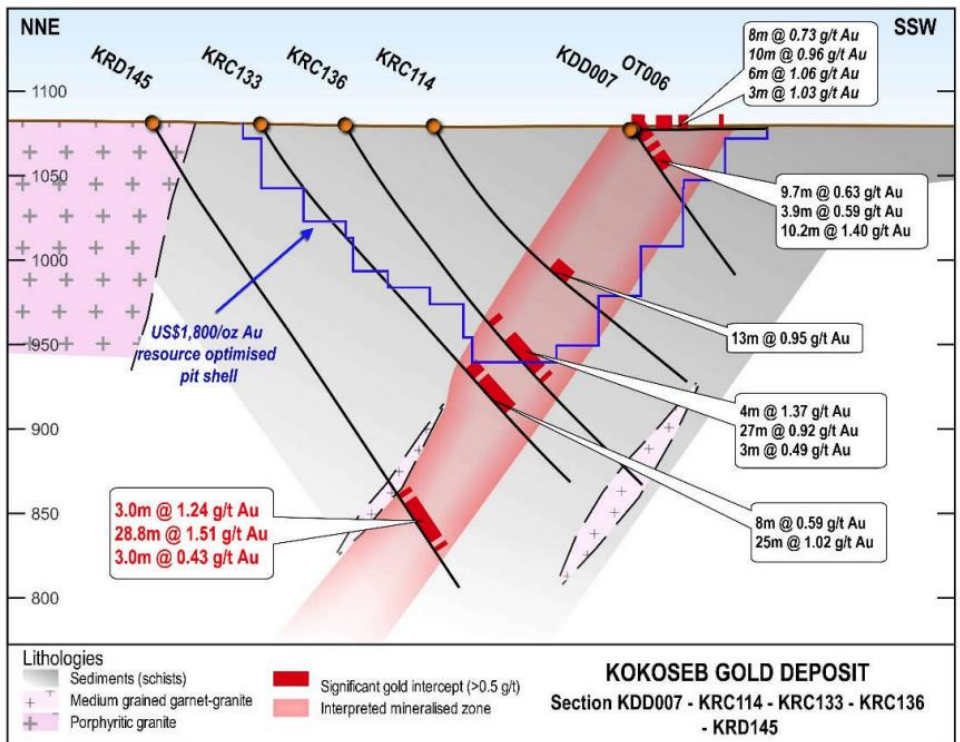
Kokoseb mineralisation shows good continuity along strike and down dip.



Source: WIA, March 2024

Figure 4 - Cross section of recent intercepts from the Kokoseb deposit.

Drilling continues to focus on extensions to mineralisation at an inferred drill spacing



Source: WIA, March 2024

## Argonaut’s Kokoseb Mining Scenario

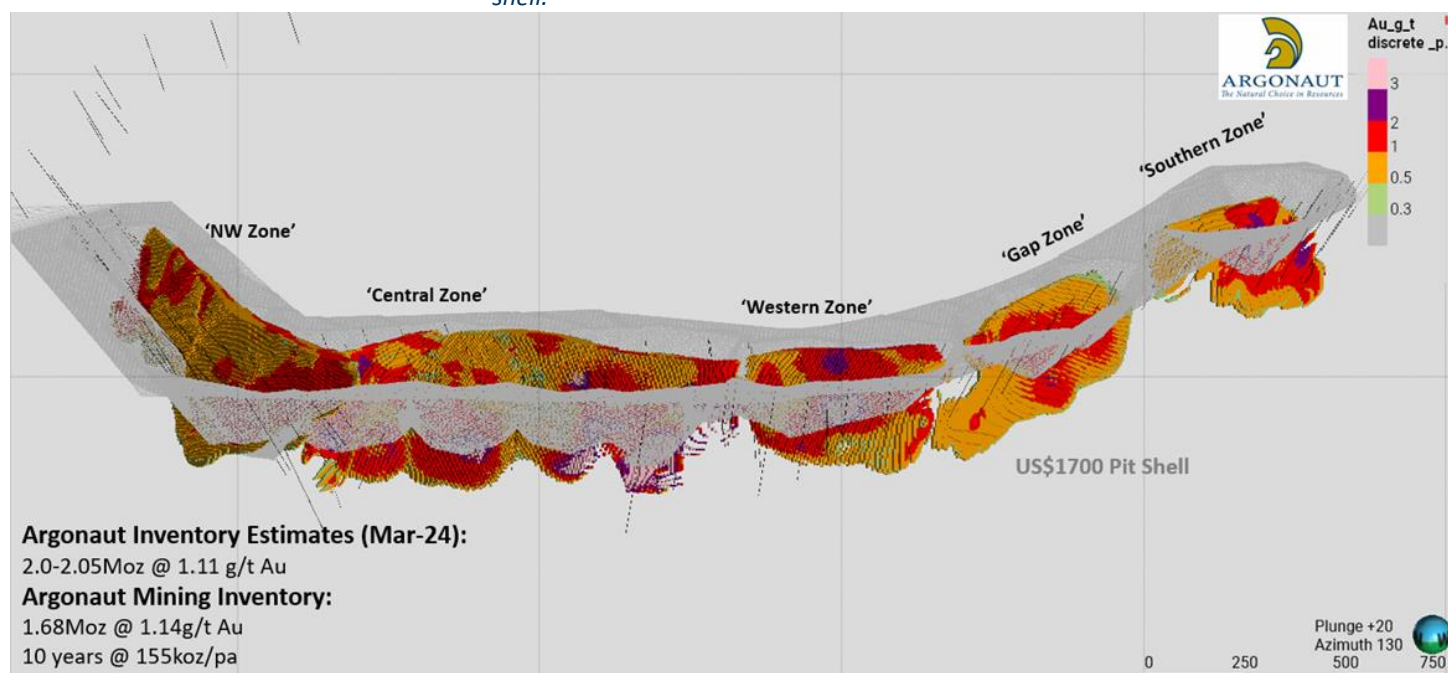
**We model a large mining inventory attributable to the extensive strike and outcropping nature of Kokoseb mineralisation**

Argonaut’s updated mining scenario uses a US\$1700/oz pit optimisation that captures a mining inventory of 45.7Mt for 1.68Moz at a diluted mined grade of 1.14g/t Au with a LOM strip ratio of 6.6. Our mining scenario produces 155kozpa over a ten-year mine life sourcing open pit ore from what’s likely to be a single open pit over 4.5km long. LOM diluted head grade averages 1.14g/t Au with the first 3 years of production averaging 1.30g/t Au. This updated mining inventory represents a +200koz increase from our prior estimate in early January. Mineralisation captured within Argonaut’s open pit scenario, has a median true width of 19m which equates to minimal mining dilution (10%).

Our updated mining scenario for Kokoseb delivers a pre-tax NPV<sub>6</sub> of A\$799M using a flat A\$2700/oz gold price. At spot gold prices (\$3275/oz) our pre-tax NPV increases to A\$1.39B. Early-stage capex estimates remain unchanged at US\$365M (A\$520M) for a 5Mtpa standalone development. This capex estimate benchmarks conservatively against comparable builds in Namibia – B2 Gold’s Otkikoto US\$244M(3Mtpa) and Osino’s recent Twin Hills DFS estimate of US\$365M (5Mtpa).

**Argonaut models a A\$799M pre-tax NPV<sub>6</sub> for Kokoseb using a flat A\$2700 gold price**

Figure 5: Argonaut’s Kokoseb inventory model with our initial US\$1700/oz optimised pit shell.



Source: Argonaut Research, WIA reported drilling data



### Argonaut Kokoseb Site Visit

Argonaut recently completed a 2-day site visit to the Kokoseb deposit accompanied by WIA representatives. Travel to site took approximately 3.5 hours from the capital city of Windhoek driving on well-maintained sealed highways for most of the trip. Whilst onsite drill core was reviewed and the current understanding of the key structural controls to mineralisation was presented by WIA management. Kokoseb is located on flat lying terrain with sparse semi-arid vegetation. The nearest population centre is the township of Omaruru (14,000 population), located 80km away. Nearby grid power, well maintained roads provided additional supporting infrastructure. Existing mining operations within region include Ojikoto (B2 Gold), Navachab (QKR) and Osino's proposed Twin Hills development.

*Figure 6 – Top – RC rig drilling at the NW Zone – Kokoseb. Bottom Left – Visible gold selvedge to typical quartz-chlorite vein. Bottom right – Trench 05 exposing mineralisation at surface – NW Zone.*



Source: Argonaut Research, February 2024

### Kokoseb and Twin Hills (TSX:OSI) Project Valuation Comparison

Yintai Gold's C\$386M take over for Osino Resources and their Twin Hills project provides a useful benchmark comparison to value Kokoseb in potential transaction scenario. We compare both projects against each other using similar cost and price assumptions to show the unrecognised value in Kokoseb. Twin Hill's likely commands an acquisition premium given it is development ready with a DFS completed. Argonaut models AISC at US\$1,011/oz for Kokoseb which is competitive with the Twin Hills DFS estimate. We note that the Kokoseb mining inventory continues to grow and we would expect an increase to our estimates once a DFS is reported for Kokoseb.

*Figure 7 – Argonaut's Kokoseb Project comparison against Twin Hill's using comparable costs and gold price assumptions.*

**We model competitive mining physicals for Kokoseb compared to Osino's Twin Hills (US\$742 NPV5)**

|   | Unit      | Twin Hills (Osino)<br>5Mtpa Plant | Kokoseb<br>(5Mtpa Plant) |
|---|-----------|-----------------------------------|--------------------------|
| <b>Mining Physicals</b>                       |           |                                   |                          |
| Ore Tonnes Mined                              | Mt        | 65                                | 46                       |
| Waste Tonnes Mined                            | Mt        | 299                               | 308                      |
| Total Material Movement                       | Mt        | 364                               | 353                      |
| Strip Ratio                                   | waste:ore | 4.7                               | 6.3                      |
| Mine Life                                     | Years     | 13                                | 10                       |
| <b>Processing</b>                             |           |                                   |                          |
| Head Grade (LOM)                              | g/t Au    | <b>1.04</b>                       | <b>1.14</b>              |
| Head Grade (Yrs 1-5)                          | g/t Au    | 1.15                              | 1.26                     |
| Au Produced (LOM)                             | Koz       | 1979                              | 1544                     |
| Annual Gold Production (LOM)                  | koz pa    | 162                               | 154                      |
| Annual Gold Production (Yrs 1-5)              | koz pa    | <b>176</b>                        | <b>179</b>               |
| <b>Assumptions</b>                            |           |                                   |                          |
| Gold Price Assumption                         | US\$/oz   | \$1,750                           | \$1,750                  |
| Discount Rate <i>real</i>                     | %         | 5%                                | 5%                       |
| Open Pit Mining Cost (LOM)                    | US\$/t    | \$2.64                            | \$2.64                   |
| Processing Cost (LOM)                         | US\$/t    | \$13.6                            | \$11.5                   |
| <b>Financials</b>                             |           |                                   |                          |
| All-in Sustaining Cost (ASIC)                 | US\$/oz   | <b>\$1,011</b>                    | <b>\$1,080</b>           |
| Pre-production Capex                          | US\$M     | \$365                             | \$365                    |
| Sustaining Capital                            | US\$M     | \$41                              | \$38                     |
| Pre-tax NPV                                   | US\$M     | <b>\$742</b>                      | <b>\$448</b>             |
| Project Ownership                             | %         | 100%                              | 80%                      |
| Enterprise Value                              | A\$M      |                                   | <b>\$52</b>              |
| Osino Take Over offer (C\$386M - Yintai Gold) | A\$M      | <b>A\$417</b>                     |                          |

Source: Argonaut Research, Osino Resources Twin Hills DFS

## Valuation

Argonaut's WIA Gold valuation is based on a discounted cash flow valuation of the Kokoseb Project incorporating Argonaut's derived mining physicals that assumes a 10-year mine life producing 155Koz/pa. Argonaut models a post-tax NPV of A\$420m (100% basis) for Kokoseb using our internal gold price assumptions outlined on page 2. Operating costs are inflated at 3% pa. A real, after-tax discount rate of 6% is used. Our valuation model incorporates Namibia's 37.5% corporate tax rate, 3% royalty and 1% export levy. Argonaut's Kokoseb valuation incorporates future equity dilution events which are calculated at the current share price.

*Figure 8 - Valuation Summary, March 2024*

| Valuation                                  | Spot Prices |             | Argonaut forecasts |             |
|--|-------------|-------------|--------------------|-------------|
|  | A\$m        | A\$/sh      | A\$m               | A\$/sh      |
| Asset                                      |             |             |                    |             |
| Kokoseb(80%)6%DR after tax                 | 621.4       | 0.14        | 335.4              | 0.08        |
| Other                                      | 0.00        | 0.00        | 0.00               | 0.00        |
| Resources                                  | 48          | 0.01        | 48                 | 0.01        |
| Hedge book                                 | 0.0         | 0.00        | 0.0                | 0.00        |
| Corporate overhead                         | (24.4)      | (0.01)      | (24.4)             | (0.01)      |
| Unpaid capital                             | 166.8       | 0.05        | 166.8              | 0.05        |
| Cash                                       | 6.9         | 0.00        | 6.9                | 0.00        |
| Debt                                       | 0.0         | 0.00        | 0.0                | 0.00        |
| <b>Total</b>                               | <b>818</b>  | <b>0.19</b> | <b>532</b>         | <b>0.13</b> |
| <b>Price Target (50/50 spot/base case)</b> |             |             |                    | <b>0.16</b> |

Source: Argonaut Research

**Argonaut maintains its Speculative Buy rating for WIA with a price target increase to \$0.16 per share (\$0.14 prior)**

### Key risks to valuation:

**Permitting & Sovereign Risk** – Kokoseb remains an early-stage project with further permitting required to progress further down the development pipeline. Delays or roadblocks in the permitting process would impact the valuation. WIA owns 80% of the Kokoseb Project with the remaining 20% owned by Epangelo Mining which is a private company solely owned by the Namibian government. Epangelo are free carried until the delivery of a DFS.

**Resource Model and Exploration Results** – Argonaut's valuation utilises an inferred inventory model. Further drilling could negatively impact the valuation of the project if future resource updates downgrade WIA's Kokoseb resource.

**Commercial Hurdles** – Argonaut's valuation could be negatively impacted if the company is unable to secure funding (debt and/or equity) for the development and construction phase of the project.

**Cost assumptions** – Argonaut models its valuation using benchmark operating and capex costs. There is a risk to the valuation of the project should actual costs be higher or if there are capex cost over runs during construction.

**Equity dilution** – Future capital raisings to fund exploration and development costs for Kokoseb are likely to dilute existing shareholders. We model future equity dilutions at the current share price.



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**Important Information**

The publishing analyst owns shares in WIA Gold (WIA)

WIA Gold Ltd. (WIA) Argonaut Securities Pty Ltd acted as Lead Manager & Sales Agent to the pro-rata non-renounceable entitlement offer to raise up to approximately \$11M announced in July 2023 and received fees commensurate with this service. Argonaut owns or controls 5,333,332 WIA shares and 1.5M WIA01 Options exercisable at \$0.05 and 1.5M WIA02 exercisable at \$0.10 on or before 30 September 2024.

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