

Ticker: WIA AU

2Q24 Cash: A\$15m

Project: Kokoseb

Market cap: A\$118m

Price: A\$0.105/sh

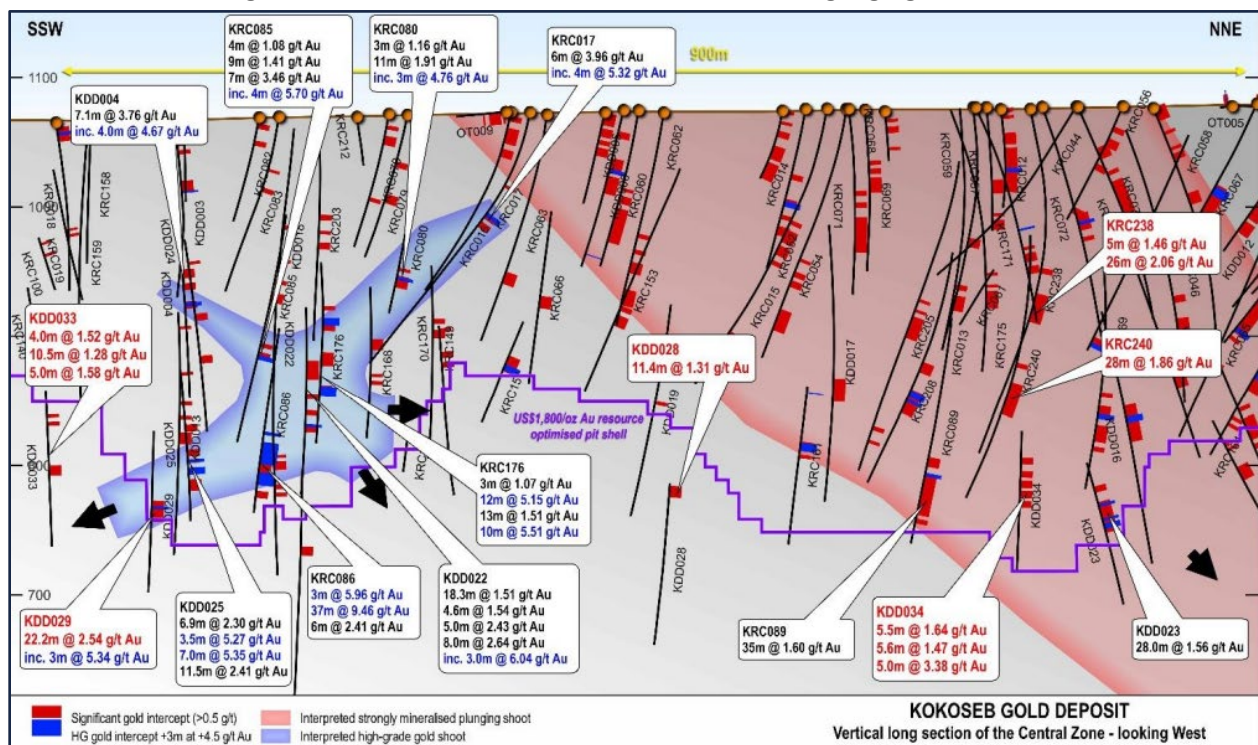
Country: Namibia

REC. (unc): BUY

TARGET (unc): A\$0.26/sh

RISK RATING (unc): HIGH

We see three key takeaways from today's drilling results at Kokoseb. First, is the delineation of a high-grade area in the central zone, with results from 2-4g/t, well above the 1.05g/t MRE grade. While more drilling is needed to determine orientation, we see potential to add high grade ounces, plus bring the pit deeper which pulls in other lower grade ounces. We see potential for several hundred koz open pittable additions here on further infill, plus potential for an underground if deeper drilling shows continuity at depth. Second, the Eastern Zone delivered better than expected results with good continuity and widths at 1g/t in shallow mineralization. The strike length is 1.3km: For early analysis of the potential here, if we assume 1.3km to a depth of 250m, we calculate ~400koz at 1.1g/t. However, the entire strike length isn't drilled yet, so we see 100-200koz as a reasonable but too-early estimate of what's been drilled to date, but we caution this needs more data for a JORC-compliant MRE estimate. Third, there were useful additions elsewhere including at depth in the central zone, and the gap and southern zones. Overall, we think Wia is tracking well towards their target of ~3Moz, from the current 2.1Moz at 1.05g/t. **Today we maintain our BUY rating and A\$0.26/sh PT based on 0.6NAV_{5%-2,000/oz} (fully diluted and fully funded).** We expect Wia to continue drilling with three rigs, currently focused on ounce additions to a targeted 3Moz MRE update late this year or H1 next year. After that we expect Wia to increase focus on studies, infill drilling for reserves and project delineation. We think Kokoseb has scarcity value as one of few open pittable, free-milling 100-200kozpa development assets in an attractive African jurisdiction.

Figure 1. Cross section of the central zone showing high grade zone


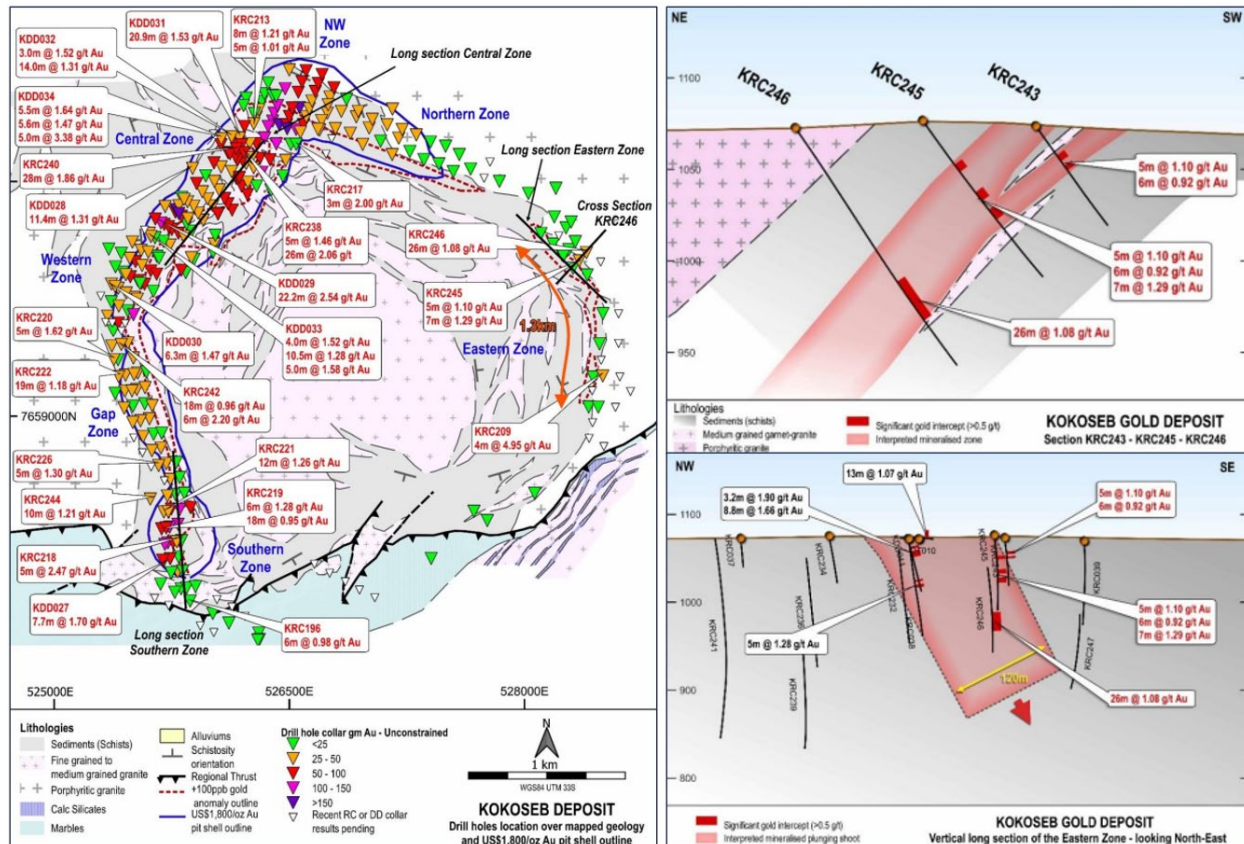
Source: Wia Gold

Kokoseb drilling delivers new ounces: high grade area in the Central Zone and new Eastern Zone

Wia announced results from 49 RC and 8 DD drill holes at Kokoseb in Namibia. In the Central Zone results included **26m @ 2.1g/t** from 165m, **28m @ 1.9g/t** from 236m, **21m @ 1.5g/t** from 288m, **5m @ 3.4g/t** from 353m and **22m @ 2.5g/t** from 362m. Of 11 highlighted intercepts in six holes, we calculate average hit 11.5m @ 1.7g/t. In the Eastern Zone (not in MRE), drilling hit 7m @ 1.3g/t from 61m, 4m @ 4.95g/t

from 80m and 26m @ 1.1g/t from 101m. We calculate average 7.8m @ 1.3g/t from seven highlighted hits in the Eastern Zone. Extensional results were also released at the Southern and Gap Zones, generally targeting additions at depth. We calculate average highlighted hits 8.9m @ 1.1g/t in the Southern Zone (10 hits / 6 holes) and 9.2m @ 1.2g/t in the Gap zone (10 hits / 5 holes). Next steps: Three rigs (currently two RC and one diamond) are continuing to drill including high grade extensions in the Central Zone, the connection between the Central and NW Zone, and new mineralization in the Eastern Zone and under the Southern Thrust.

Figure 2. Plan map of Kokoseb and cross and long section from the Eastern Zone



Source: Wia Gold

Why we like Wia

1. Open pittable 2.1Moz at 1.0g/t– has critical mass and still growing
2. Namibia is a safe and easy jurisdiction to explore, permit, build and operate
3. Osino bidding war showed that assets in Namibia are in high M&A demand

Catalysts

- 1H25: Updated MRE targeting SCPe 3Moz
- 2025: SCPe PEA
- 1H26: SCP FS
- 2H26-1H28: SCPe construction
- 2H29: SCPe commercial production

Research

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Ticker: WIA AU	Price / mkt cap: A\$0.11/sh, A\$118m	Market P/NAV: 0.25x	Assets: Kokoseb
Authors: J Chan	Rec / 0.6x NAV: BUY / A\$0.26	1xNAVFD: A\$0.43/sh	Country: Namibia

Group-level SOTP valuation	1Q24		FD	
	US\$m	O/ship	NAVx	A\$/sh
Kokoseb NPV 2Q24	303	100%	1.00x	0.38
Central SG&A & fin costs 2Q24	(21)	-	1.00x	(0.03)
Resources outside SCPe mine plans (\$50/oz)	50	100%	1.00x	0.06
Cash and restr. cash + ITM options	10	-	1.00x	0.01
Debt and stream	-	-	1.00x	-

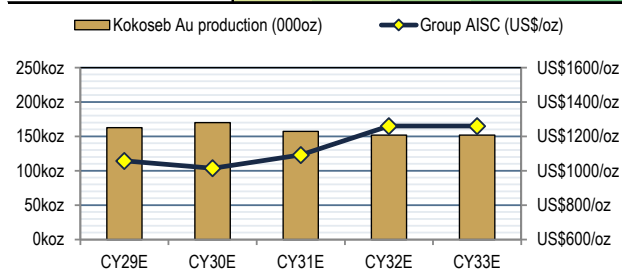
1xNAV5% US\$2000/oz - FD pre build	342		1.00x	0.43
Assumed build equity issuance	185		1.00x	0.08
1xNAV5% US\$2000/oz - fully diluted and fu	527		1.00x	0.36
Price target - fully diluted for options but not build			0.60x	0.26

1xNAV sensitivity to gold price and discount / NAV multiple					
1xNAV asset (US\$m)	\$1800oz	\$1900oz	\$2000oz	\$2100oz	\$2200oz
8% discount	132	174	217	249	290
7% discount	151	197	243	278	322
6% discount	173	222	271	309	357
5% discount	197	250	303	344	395
Valuation (A\$/sh)	\$1800oz	\$1900oz	\$2000oz	\$2100oz	\$2200oz
0.50xNAV	0.14	0.18	0.21	0.24	0.27
0.60xNAV	0.17	0.22	0.26	0.29	0.33
0.70xNAV	0.20	0.25	0.30	0.34	0.38

Sources and uses of cash			
Sources	US\$m	Uses	US\$m
Build Capex (US\$m)	US\$345m	PF cash+options	US\$10m
Exploration, G&A + fin. cost to prc	US\$30m	Debt package (US\$m)	US\$248m
Working capital (US\$m)	US\$18m	Equity raised (US\$m)	US\$185m
Total uses (US\$m)	US\$393m	Total sources (US\$m)	US\$443m
Total contingency buffer (US\$m)	US\$50m		

Valuation over time	Today	FY25E	FY26E	FY27E	FY28E
Mines NPV (US\$m)	353	471	493	670	1,107
Cntrl G&A & fin costs (US\$m)	(21)	(17)	(7)	1	5
Net cash at 1Q (US\$m)	10	23	309	236	(202)
1xNAV (US\$m)	342	477	795	907	910
1xNAV share px FD + FF (A\$/sh)	0.43	0.53	0.54	0.61	0.62
P/NAV (x):	0.25x	0.20x	0.20x	0.17x	0.17x
ROI to equity holder (% pa)	307%	409%	126%	80%	56%

Geared company A\$ 1xNAVPS diluted for mine build, net G&A and interest					
2Q24 1xNAV FF FD (A\$/sh)^	\$1800oz	\$1900oz	\$2000oz	\$2100oz	\$2200oz
9.0% discount	0.15	0.19	0.24	0.27	0.32
7.0% discount	0.19	0.24	0.29	0.33	0.38
5.0% discount	0.24	0.30	0.36	0.41	0.47
2Q24 1xNAV FF FD (A\$/sh)^	\$1800oz	\$1900oz	\$2000oz	\$2100oz	\$2200oz
20% increase in cost per tonne	0.17	0.24	0.30	0.35	0.41
10% increase in cost per tonne	0.21	0.27	0.33	0.38	0.44
0% increase in cost per tonne	0.24	0.30	0.36	0.41	0.47
-10% increase in cost per tonne	0.27	0.33	0.39	0.44	0.50
2Q24 1xNAV FF FD (A\$/sh)^	\$1800oz	\$1900oz	\$2000oz	\$2100oz	\$2200oz
20.0% change in capex	0.19	0.24	0.31	0.37	0.43
10.0% change in capex	0.22	0.27	0.33	0.39	0.44
0.0% change in capex	0.24	0.30	0.36	0.41	0.47
-10.0% change in capex	0.26	0.32	0.37	0.43	0.49



Production (100%)	CY29E	CY30E	CY31E	CY32E	CY33E
Kokoseb Au production (000oz)	163	170	157	152	152
Group cash cost (US\$/oz)	937	897	970	1,137	1,137
Group AISC (US\$/oz)	1,057	1,015	1,092	1,260	1,260

Resource / Reserve	Mt	Moz	EV/oz
Measured, ind. & inf.	66.0	2.12	35
Mine inventory (SCPe)	48.1	1.63	46

Share data					
Basic shares (m): 1122.8	FD shares (m): 1194.9	FD + FF	2194.5		
Commodity price	FY24E	FY25E	FY26E	FY27E	FY28E
Gold price (US\$/oz)	2,287	2,153	2,011	2,000	2,000

Ratio analysis					
	FY24E	FY25E	FY26E	FY27E	FY28E
FD shares out (m)	1206.7	1333.0	2206.4	2206.4	2206.4
EPS (A\$/sh)	(0.00)	(0.00)	(0.00)	(0.01)	(0.01)
CFPS before w/c (A\$/sh)	(0.00)	(0.01)	(0.00)	(0.01)	(0.02)
FCFPS pre growth (A\$/sh)	(0.00)	(0.01)	(0.00)	(0.03)	(0.07)
FCF/sh (A\$/sh)	(0.00)	(0.01)	(0.00)	(0.07)	(0.19)
FCF per oz (A\$/sh)	-	-	-	-	-
FCF yield - pre growth (%)	(7%)	(11%)	(4%)	(38%)	(103%)
FCF yield (%)	(7%)	(11%)	(4%)	(99%)	(265%)
EBITDA margin (%)	-	-	-	-	-
FCF margin (%)	-	-	-	-	-

ROA (%)	(16%)	(24%)	(2%)	(2%)	(4%)
ROE (%)	(16%)	(24%)	(2%)	(6%)	(12%)
ROCE (%)	(16%)	(24%)	(2%)	(1%)	(1%)
EV (A\$m)	101	109	(85)	(11)	426
PER (x)	(45.7)	(51.5)	(146.4)	(17.3)	(10.8)
P/CF (x)	(20.2)	(13.0)	(36.9)	(17.9)	(6.1)
EV/EBITDA (x)	(16.8x)	(10.4x)	13.0x	2.9x	(106.5x)

Income statement					
	FY24E	FY25E	FY26E	FY27E	FY28E
Revenue (A\$m)	--	--	--	--	--
COGS (A\$m)	--	--	--	--	--
Gross profit (A\$m)	--	--	--	--	--
G&A & central	(2)	(3)	(3)	(4)	(4)
Depreciation	(0)	--	--	--	--
Impairment & other (A\$m)	(0)	--	--	--	--
Net finance costs (A\$m)	0	0	0	(12)	(20)
Tax (A\$m)	(0)	--	--	--	--
Minority interest (A\$m)	--	--	--	--	--
Net income attr. (A\$m)	(2)	(2)	(2)	(16)	(24)
EBITDA	(6)	(11)	(7)	(4)	(4)

Cash flow					
	FY24E	FY25E	FY26E	FY27E	FY28E
Profit/(loss) after tax (A\$m)	(5)	(10)	(6)	(29)	(77)
Add non-cash items (A\$m)	(1)	--	--	17	40
Less wkg cap / other (A\$m)	--	--	--	--	--
Cash flow ops (A\$m)	(6)	(10)	(6)	(13)	(37)
PP&E (A\$m)	--	--	--	(141)	(374)
Other (A\$m)	(0)	--	--	--	--
Cash flow inv. (A\$m)	(5)	--	--	(141)	(374)
Debt draw (repayment) (A\$m)	--	--	92	277	--
Equity issuance (A\$m)	28	15	261	--	--
Other (A\$m)	(0)	--	--	--	--
Cash flow fin. (A\$m)	28	15	354	277	--
Net change post forex (A\$m)	17	5	347	123	(411)
FCF (A\$m)	(6)	(10)	(6)	(154)	(411)

Balance sheet					
	FY24E	FY25E	FY26E	FY27E	FY28E
Cash (A\$m)	18	23	371	494	83
Accounts receivable (A\$m)	0	0	0	0	0
Inventories (A\$m)	--	--	--	--	--
PPE & exploration (A\$m)	20	20	20	161	535
Other (A\$m)	0	0	0	0	0
Total assets (A\$m)	39	44	391	656	619
Debt (A\$m)	--	--	92	386	426
Other liabilities (A\$m)	0	0	0	0	0
Shareholders equity (A\$m)	71	86	347	347	347
Retained earnings (A\$m)	(33)	(43)	(49)	(78)	(155)
Minority int. & other (A\$m)	0	0	0	0	0
Liabilities+equity (A\$m)	39	44	391	656	619
Net Cash	18	23	278	108	(343)
Net Debt to NTM EBITDA (x)	1.7x	3.6x	69.6x	27.0x	1.5x

Source: SCP estimates; fiscal year is year to the end of 30 June, estimates are June year end unless specified, currency is A\$ unless specified

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Summary of Recommendations as of August 2024	
BUY:	48
HOLD:	0
SELL:	0
UNDER REVIEW:	0
TENDER:	1
NOT RATED:	0
TOTAL	49

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