

Antipa Minerals Ltd

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Antipa Minerals and JV partner Rio revise Citadel exploration and project spend

Antipa Minerals Ltd (ASX:AZY) and joint venture (JV) partner Rio Tinto Exploration have agreed to reduce this year's budgeted exploration spend for the Citadel Gold-Copper-Silver Project in Western Australia's Paterson Province.

Before today, both parties had set aside \$10 million in the budget for the multi-element camp, which would also cover JV management fees.

However, this component has been funded to date through partner co-contributions, calculated in line with Antipa and Rio's 35% and 65% respective ownership interests.

"As a result of broader industry timing pressures impacting targeted activity levels, the Citadel Project JV 2022 budget has been reduced in line with the lower than expected spend rate achieved to date," Antipa said in a statement.

With this in mind, both JV parties have agreed to cap to budget at \$8 million (including the management fees), with up to a quarter of that package set aside for a second, contingent drill program.

What does this mean for Antipa?

In recognition of this adjustment, Antipa has elected to use the dilute-down provision in the Citadel Project JV agreement for the 2022 exploration program.

This will net a cash refund of around \$500,000 from Rio Tinto, representing Antipa's Citadel Project JV contribution for 2022 to date.

In addition, Antipa will not be required to make any further JV cash contributions for the revised 2022 Citadel Project JV budget.

Further, Antipa's interest in the Citadel Project JV is expected to reduce to between roughly 31.1% and 32.0% after the 2022 exploration program spend is finalised.

Prioritising funding for Minyari Dome

Commenting on these decisions, Antipa managing director and CEO Roger Mason said: "With the huge progress made at our flagship Minyari Dome Project over the first half of this year, we see our priority being to allocate more funds towards its rapid advancement.

"The scoping study on Minyari Dome remains on track for completion and release during the current quarter.

"We remain very bullish on the tier-one nature of the Citadel Project JV and the value of our interest in this asset.

"The decision to dilute-down slightly at Citadel is solely a function of relative capital allocation preferences within the Antipa portfolio at the current time."

Price: 0.033
Market Cap: \$103.61 m

Share Information

Code: AZY
Listing: ASX
52 week High Low
0.068 0.029

Sector: Gold & silver

Website: www.antipaminerals.com.au

Company Synopsis:

Antipa Minerals Ltd (ASX:AZY) is a mineral exploration company primarily focusing on the Paterson Province in northwest Western Australia, which is home to Newcrest Mining Ltd's (ASX:NCM) world-class Telfer gold-copper mine, and other such large mineral deposits.

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Revised exploration program

With the revised budget in tow, this year's exploration program at Citadel (operated by Rio Tinto) will include:

- An initial 3,500- to 4,000-metre reverse circulation drill program in August, focused on the Rimfire area and select regional targets, including the Transfer and Northern Lights prospects.
- A second, contingent campaign - covering between 3,500 and 4,500 metres - is slated for late October or November and will follow up the Rimfire results.
- A geophysical program (including induced polarisation, possible Rimfire ground electromagnetic and downhole geophysical surveys) will continue.

The parties plan to continue processing and interpreting the IP and drilling data, including that from a late 2021 program, to identify more priority target areas.

A resource update for the Calibre deposit - and its mineralisation model - may also be on the cards, while a test-work program on the target's ore is set to conclude this year. The partners will continue assessing Calibre's potential as a development opportunity.

All in all, the parties plan to spend between \$6 and \$8 million completing these activities.

Consistent with previous years, the revised Citadel JV 2022 Exploration Program and budget will be subject to ongoing review based on results, field conditions, contractor availability and pricing and other relevant matters.

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