

Antipa Minerals (AZY)

Rating: Buy | Risk: High | Price Target: \$0.06

10 October 2023

Targeting Rapid, Sizeable Success

Key Information

Current Price (\$ps)	0.01
12m Target Price (\$ps)	0.06
52 Week Range (\$ps)	0.01 - 0.03
Target Price Upside (%)	407.1%
TSR (%)	407.1%
Reporting Currency	AUD
Market Cap (\$m)	43.1
Sector	Materials
Avg Daily Volume (m)	3.0
ASX 200 Weight (%)	0%

Fundamentals

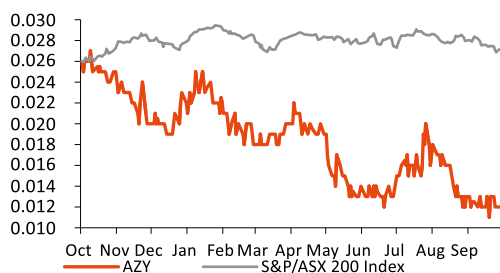
YE 20 Jun (AUD)	FY22A	FY23E	FY24E	FY25E
Sales (\$m)	0.5	0.0	0.0	0.0
NPAT (\$m)	(5.7)	(0.7)	(7.7)	(8.0)
EPS (cps)	(0.2)	(0.0)	(0.2)	(0.2)
EPS Growth (%)	(65.0%)	87.2%	nm	(1.6%)
DPS (cps) (AUD)	0.0	0.0	0.0	0.0
Franking (%)	0%	0%	0%	0%

Ratios

YE 20 Jun	FY22A	FY23E	FY24E	FY25E
P/E (x)	(19.1)	(51.3)	(5.0)	(5.0)
EV/EBITDA (x)	(6.8)	(46.3)	(4.8)	(4.7)
Div Yield (%)	0.0%	0.0%	0.0%	0.0%
Payout Ratio (%)	0.0%	0.0%	0.0%	0.0%

Price Performance

YE 20 Jun	1 Mth	2 Mth	3 Mth	1 Yr
Relative (%)	(5.1%)	(28.0%)	(19.5%)	(58.3%)
Absolute (%)	(7.7%)	(33.3%)	(20.0%)	(53.8%)
Benchmark (%)	(2.6%)	(5.3%)	(0.5%)	4.5%



Price performance indexed to 100

Source: FactSet

Major Shareholders

Newcrest Mining	9.9%
IGO	4.1%
Board and management	3.6%

Event

Antipa Minerals have commenced the most active six months of drilling in the company's history, targeting rapid, sizeable success at high potential targets GEO-01, Tetris and Pacman. We expect initial assays in the next few weeks and a regular stream of results through to February 2024. Antipa is very cheap exposure to a strengthening gold price near the end of the interest rate hike cycle and following recent geopolitical tensions.

Highlights

- Antipa were an early mover into the Paterson region in WA and have attracted majors such as Rio Tinto, Newcrest and IGO via joint venture and farm-ins into their tenure and have a potential standalone development opportunity in the 100%-owned Minyari Dome Project, 35km from Newcrest's Telfer operation.
- The 2023 Minyari Dome exploration program has been expanded following early success with Phase 2, for up to 19,200m new RC, diamond and air core drilling, set to commence.
- The recently discovered GEO-01 large copper-gold prospect will be the initial focus with an expectation that positive results will lead to a resource upgrade in early 2024. Significant near-surface, high-grade gold mineralisation was intersected at GEO-01 in Phase 1, with mineralisation open in most directions.
- Three large-scale greenfield targets at Tetris and Pacman will also be drill tested.
- Recent funding initiatives, along with government drilling grants, provide Antipa with more than \$10m in cash, leaving it well funded for future work programs.
- With Newcrest and IGO currently on the Antipa register at 9.9% and 4.1% respectively, we view ongoing growth in the Minyari Dome Project Resource, or exploration success from the company's farm-ins, as catalysts for corporate activity.
- Minyari Dome is 35km from Newcrest's Telfer mine and 54km along strike from the Newcrest-Greatland Gold Haveron gold-copper development project.
- With Newmont likely to complete its Newcrest takeover in coming weeks, speculation has turned to Newmont retaining Telfer given the strategic value of established infrastructure in the Paterson. But regardless of whether the decision is to divest or retain, it is logical to us that any new Telfer owner would seek to process nearby ore sources such as Minyari given Telfer is nearing depletion of its Reserves.
- Greatland Gold released an independent value for the Haveron deposit, 54km from Minyari Dome, in July 2022 that implied a value of US\$1.2bn (A\$1.7bn) for 100% of Haveron. This values the deposit at A\$309/oz of gold resource (5.5moz) or A\$262/oz-eq of gold equivalent Resource (6.5moz-eq).
- Applying these multiples to Minyari Dome implies a value of A\$800m on a gold-only basis or A\$680m on a gold-equivalent basis, both significantly higher than the current Antipa market capitalisation of \$52m. Antipa is trading at just A\$15/oz of resource, which is a significant discount to its peer group average of A\$56/oz.
- Share prices of most emerging gold companies have been weak over the past twelve months however a combination of factors, such as an end to the fastest interest rate raising cycle in a generation and heightened geopolitical tension, means the next 12 months looks set to be a more constructive period for the small gold sector.
- The Relative Strength Indicator for the gold price was trending at a five-year low (refer Figure 5 on page 5 of this report) prior to the events of this week.

Recommendation

We maintain our Buy recommendation and \$0.06 price target which is derived from peer-group comparative multiples.

Peter Kormendy | Senior Research Analyst

+61 3 9268 1099

Peter.Kormendy@shawandpartners.com.au

Andrew Hines | Head of Research

+61 3 9268 1178

andrew.hines@shawandpartners.com.au

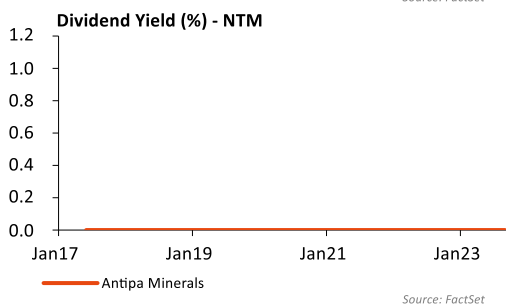
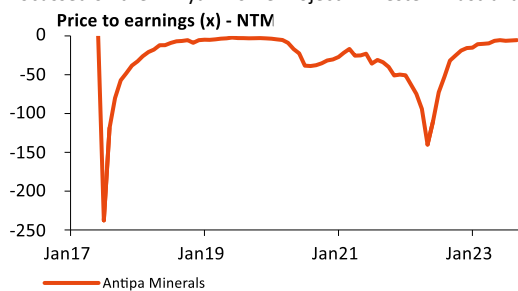
**Antipa Minerals
Materials
Materials**

FactSet: AZY-AU / Bloomberg: AZY AU

Key Items	Data
Recommendation	BUY
Risk	HIGH
Price (\$ps)	0.01
Target Price (\$ps)	0.06
52 Week Range (\$ps)	0.01 - 0.03
Shares on Issue (m)	3,593.0
Market Cap (\$m)	43.1
Enterprise Value (\$m)	38.3
TSR (%)	407.1%

Company Description

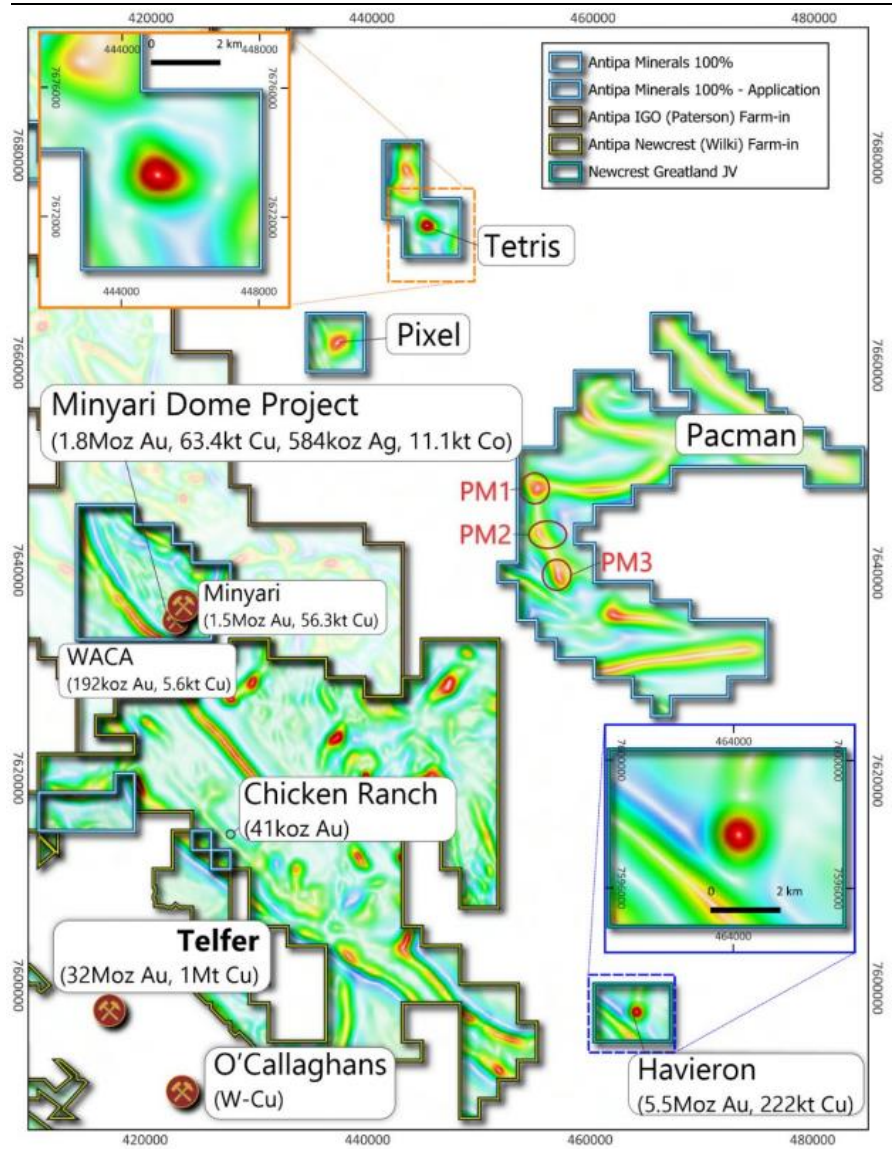
Antipa Minerals is a gold exploration company which is focussed on the Minyari Dome Project in Western Australia.



Financial Year End: 20 June

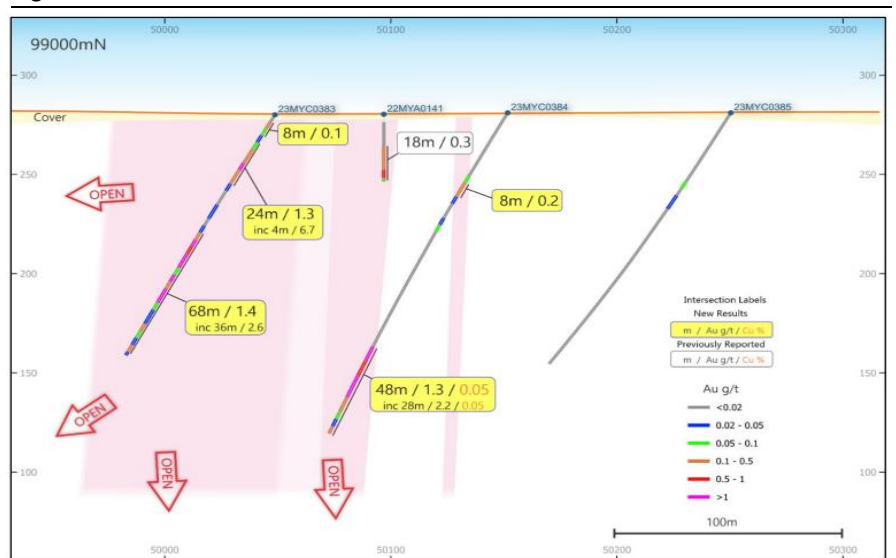
Investment Summary (AUD)	FY21A	FY22A	FY23E	FY24E	FY25E
EPS (Reported) (cps)	(0.1)	(0.2)	(0.0)	(0.2)	(0.2)
EPS (Underlying) (cps)	(0.1)	(0.2)	(0.0)	(0.2)	(0.2)
EPS (Underlying) Growth (%)	83.0%	(65.0%)	87.2%	nm	(1.6%)
PE (Underlying) (x)	(36.9)	(19.1)	(51.3)	(5.0)	(5.0)
EV / EBIT (x)	(10.9)	(6.6)	(46.3)	(4.8)	(4.7)
EV / EBITDA (x)	(11.1)	(6.8)	(46.3)	(4.8)	(4.7)
DPS (cps) (AUD)	0.0	0.0	0.0	0.0	0.0
Dividend Yield (%)	0.0%	0.0%	0.0%	0.0%	0.0%
Franking (%)	0%	0%	0%	0%	0%
Payout Ratio (%)	0.0%	0.0%	0.0%	0.0%	0.0%
Profit and Loss (AUD) (m)	FY21A	FY22A	FY23E	FY24E	FY25E
Sales	0.8	0.5	0.0	0.0	0.0
Sales Growth (%)	n/a	(27.4%)	(100.0%)	n/a	n/a
Other Operating Income	0.0	0.0	0.0	0.0	0.0
EBITDA	(3.4)	(5.7)	(0.8)	(8.0)	(8.2)
EBITDA Margin (%)	nm	nm	nm	nm	nm
Depreciation & Amortisation	(0.1)	(0.1)	0.0	0.0	0.0
EBIT	(3.5)	(5.8)	(0.8)	(8.0)	(8.2)
EBIT Margin (%)	nm	nm	nm	nm	nm
Net Interest	0.0	0.0	0.1	0.3	0.2
Pretax Profit	(3.5)	(5.7)	(0.7)	(7.7)	(8.0)
Tax	0.0	0.0	0.0	0.0	0.0
Tax Rate (%)	0.0%	0.0%	0.0%	0.0%	0.0%
NPAT Underlying	(3.5)	(5.7)	(0.7)	(7.7)	(8.0)
Significant Items	0.0	0.0	0.0	0.0	0.0
NPAT Reported	(3.5)	(5.7)	(0.7)	(7.7)	(8.0)
Cashflow (AUD) (m)	FY21A	FY22A	FY23E	FY24E	FY25E
EBIT	(3.5)	(5.8)	(0.8)	(8.0)	(8.2)
Payments to Suppliers	(1.5)	(2.3)	21.8	14.7	14.5
Receipts from Customers	0.0	0.0	0.0	0.0	0.0
Tax Paid	0.0	0.0	0.0	0.0	0.0
Change in Working Capital	0.0	0.0	(1.7)	0.0	0.0
Depreciation & Amortisation	0.1	0.1	0.0	0.0	0.0
Other	0.6	0.5	0.1	0.3	0.2
Operating Cashflow	(0.8)	(1.7)	20.2	14.9	14.7
Capex	(0.2)	0.0	0.0	0.0	0.0
Acquisitions and Investments	(3.7)	(22.7)	(22.7)	(22.7)	(22.7)
Disposal of Fixed Assets/Investments	0.0	0.0	0.0	0.0	0.0
Other	1.3	(1.6)	0.0	0.0	0.0
Investing Cashflow	(2.6)	(24.3)	(22.7)	(22.7)	(22.7)
Equity Raised / Bought Back	30.1	0.0	20.0	0.0	20.0
Dividends Paid	0.0	0.0	0.0	0.0	0.0
Change in Debt	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.2	0.0	0.0	0.0
Financing Cashflow	30.1	0.3	20.0	0.0	20.0
Exchange Rate Effect	0.0	0.0	0.0	0.0	0.0
Net Change in Cash	26.6	(25.8)	17.5	(7.7)	12.0
Balance Sheet (AUD) (m)	FY21A	FY22A	FY23E	FY24E	FY25E
Cash	33.7	7.9	25.4	17.7	29.7
Accounts Receivable	1.3	0.5	0.0	0.0	0.0
Inventory	0.0	0.0	0.0	0.0	0.0
Other Current Assets	0.0	0.0	0.0	0.0	0.0
PPE	37.4	55.0	55.0	55.0	55.0
Total Assets	72.3	63.4	80.4	72.6	84.6
Accounts Payable	8.7	2.3	0.0	0.0	0.0
Short Term Debt	0.0	0.0	0.0	0.0	0.0
Long Term Debt	0.0	0.0	0.0	0.0	0.0
Total Liabilities	11.5	4.2	2.0	2.0	2.0
Ratios	FY21A	FY22A	FY23E	FY24E	FY25E
ROE (%)	(10.3%)	(9.5%)	(1.1%)	(10.3%)	(10.4%)
Gearing (%)	(121.2%)	(15.2%)	(47.4%)	(33.0%)	(55.4%)
Net Debt / EBITDA (x)	9.8	1.4	30.7	2.2	3.6

Figure 1: Plan view of Minyari Dome and bulls-eye magnetic anomalies for the 5.5moz gold and 222kt copper Havieron deposit and Tetris target.



Source: Company report

Figure 2: GEO-01 stacked cross section



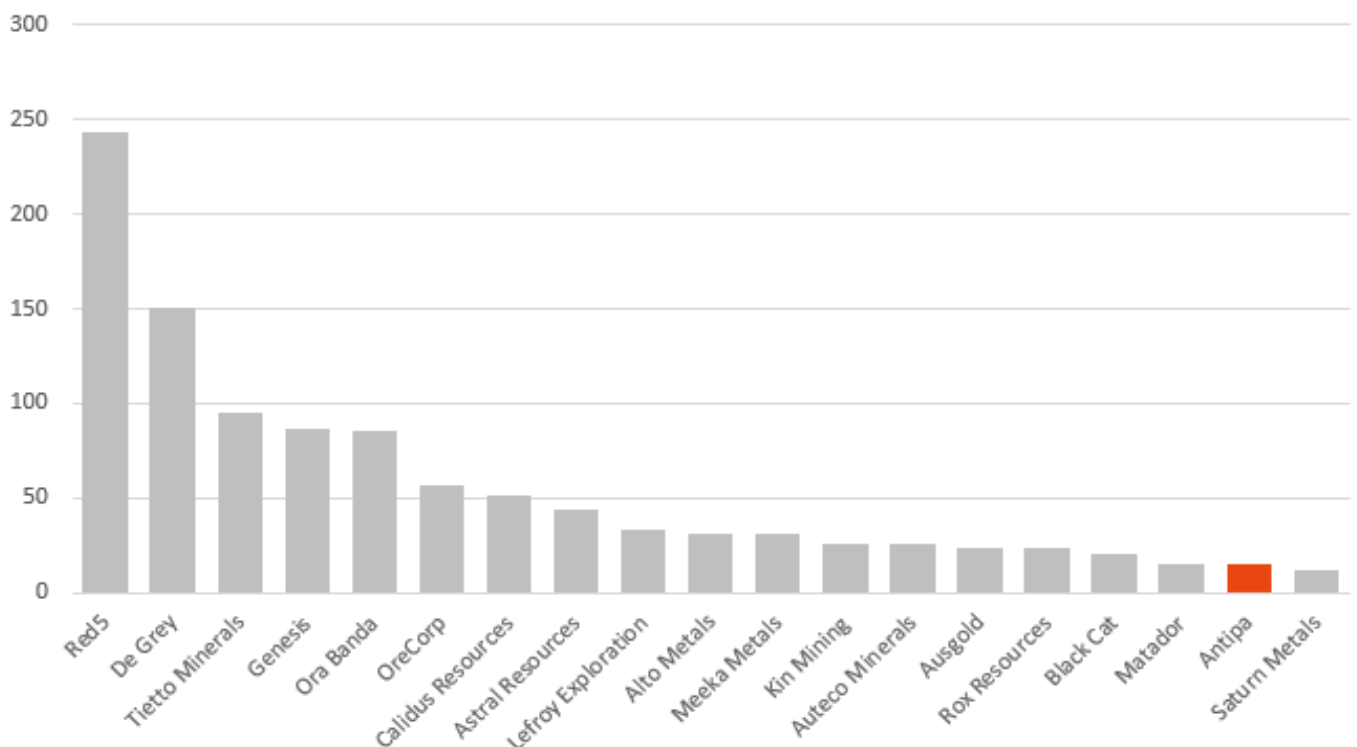
Source: Company report

Figure 3: ASX listed gold exploration/development companies

Emerging Gold Companies	Code	Resource Moz	Mkt Cap A\$m	Cash A\$m	EV/oz Resource	% M&I	Grade g/t	Project	Location	Interest %
Red5	RED	4,750	1,073	-82	243	75%	1.4	KOTH	WA	100%
De Grey	DEG	11.70	2,168	403	151	64%	1.2	Mallina	WA	100%
Tietto Minerals	TIE	3,450	375	47	95	53%	1.2	Abujar	W Africa	100%
Genesis	GMD	15.00	1,448	156	86	47%	1.7	Various	WA	100%
Ora Banda	OBM	1,800	179	25	86	68%	2.6	Davyhurst	WA	100%
OreCorp	ORR	3.07	223	50	56	88%	4.03	Nyanzaga	Tanzania	100%
Calidus Resources	CAI	1,662	97	12	51	70%	1.06	Warrawoona	WA	100%
Astral Resources	AAR	1.38	65	4.3	44	58%	1.1	Mandilla	WA	100%
Lefroy Exploration	LEX	1.10	38	1.5	33	77%	0.64	Mt Martin	WA	100%
Alto Metals	AME	0.83	31	5	32	24%	1.6	Sandstone	WA	100%
Meeka Metals	MEK	1.20	41	2.8	32	54%	3.2	Murchison	WA	100%
Kin Mining	KIN	1.54	45	5	26	56%	1.27	Cardinia	WA	100%
Auteco Minerals	AUT	2.80	82	24	26	0%	7.8	Pickle Crow	Canada	80%
Ausgold	AUC	2.64	73	9	24	82%	1.1	Katanning	WA	100%
Rox Resources	RXL	3.20	79	4	24	15%	1.7 / 6.9	Youanmi	WA	100%
Black Cat	BC8	2.37	60	12	20	49%	2.3	Paulsens / Kal East	WA	100%
Matador	MZZ	0.61	15	6	15	43%	2.02	Cape Ray Shear	Canada	100%
Antipa	AZY	2.60	48	10	15	56%	2.4	Minyari Dome	WA	100%
Saturn Metals	STN	1.84	26	4	12	59%	0.8	Apollo Hill	WA	100%
Average		3.34	325		56					

Source: Company reports, Factset, Shaw analysis

Figure 4: ASX listed gold exploration/development companies – EV/oz comparative (A\$/oz)



Source: Company reports, Factset, Shaw analysis

Prior to this week, the Relative Strength Indicator for gold was at a five-year low.

Figure 5: Gold RSI at five-year low



Source: Bloomberg

Key risks

- The gold price is volatile and driven as much by geopolitical events as fundamental supply and demand. As such, the price of gold is relatively difficult to forecast and the actual price may differ substantially from our forecasts.
- Antipa Minerals is not yet producing and there is risk the company is unable to bring Minyari Dome into production. The project may cost more than expected to build and may not operate as expected.
- There is no guarantee that future exploration results or development studies will be positive.
- Smaller companies carry more significant 'key personnel' risk than larger organisations. If senior management depart the company then it could delay projects or exacerbate operational risks.

Core drivers and catalyst

- The Minyari Dome Resource stands at 33mt at 1.6g/t Au, 0.19% Cu, 0.54g/t Ag. With mineralisation from surface, this is ample inventory to support a standalone development. We expect the Antipa Minerals share price to re-rate as the company assess the economics of a Minyari Dome standalone development.
- The Minyari Dome Resource remains open in all directions, representing significant potential exploration upside for the deposit. Other mineralised zones within the Minyari Dome Project, eg Minyari South, WACA West, Sundown, remain open in several directions and represent opportunities to increase near surface Resoure ounces. Ongoing positive exploration results at the Minyari Dome Project, or within other tenement interests, are a potential positive catalyst for the stock.
- Antipa Minerals is a potential M&A target. The most logical acquiror is Newcrest Mining as Minyari Dome is a potential ore source for Newcrest's Telfer operation which is 35km away. Newcrest Mining is also in the process of farming-in to Antipa's Wiki Project which is adjacent to Telfer tenements and owns 9% of Antipa Minerals.

Rating Classification

Buy	Expected to outperform the overall market
Hold	Expected to perform in line with the overall market
Sell	Expected to underperform the overall market
Not Rated	Shaw has issued a factual note on the company but does not have a recommendation

Risk Rating

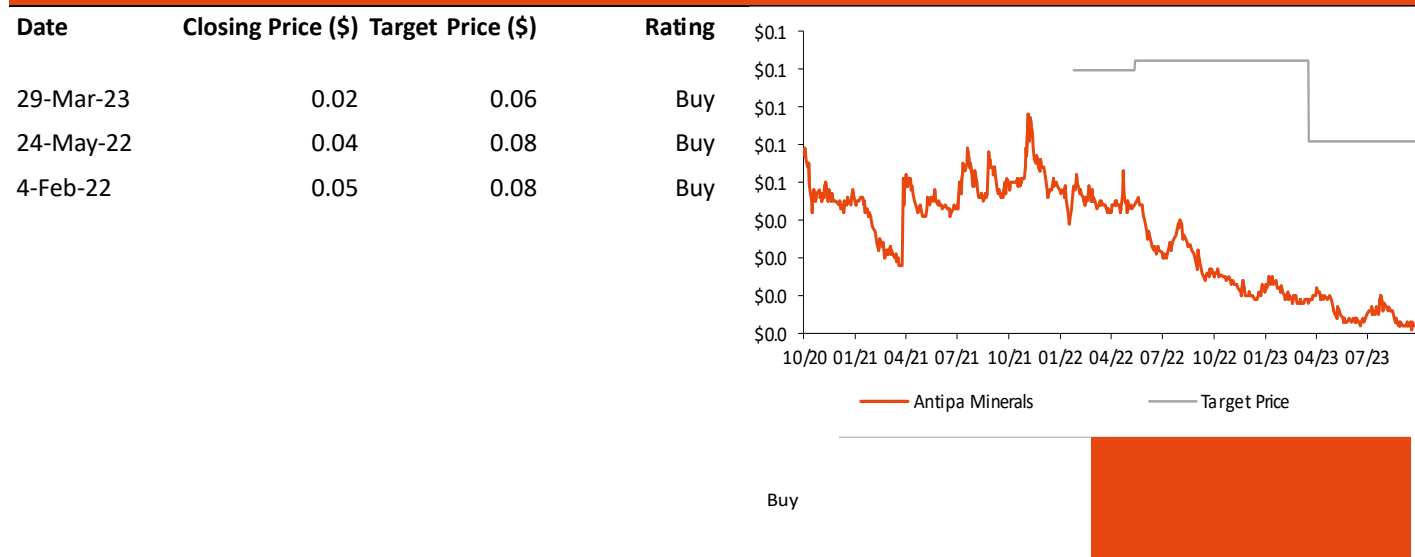
High	Higher risk than the overall market – investors should be aware this stock may be speculative
Medium	Risk broadly in line with the overall market
Low	Lower risk than the overall market

RISK STATEMENT: Where a company is designated as ‘High’ risk, this means that the analyst has determined that the risk profile for this company is significantly higher than for the market as a whole, and so may not suit all investors. Clients should make an assessment as to whether this stock and its potential price volatility is compatible with their financial objectives. Clients should discuss this stock with their Shaw adviser before making any investment decision.

Distribution of Investment Ratings

Rating	Count	Recommendation Universe
Buy	74	96%
Hold	3	4%
Sell	0	0%

History of Investment Rating and Target Price - Antipa Minerals



Disclaimer

Shaw and Partners Limited ABN 24 003 221 583 (“Shaw”) is a Participant of ASX Limited, Cboe Australia Pty Limited and holder of Australian Financial Services Licence number 236048.

ANALYST CERTIFICATION: The Research Analyst who prepared this report hereby certifies that the views expressed in this document accurately reflect the analyst's personal views about the Company and its financial products. Neither Shaw nor its Research Analysts received any direct financial or non-financial benefits from the company for the production of this document. However, Shaw Research Analysts may receive assistance from the company in preparing their research which can include attending site visits and/or meetings hosted by the company. In some instances the costs of such site visits or meetings may be met in part or in whole by the company if Shaw considers it is reasonable given the specific circumstances relating to the site visit or meeting. As at the date of this report, the Research Analyst does not hold, either directly or through a controlled entity, securities in the Company that is the subject of this report, or where they do hold securities those interests are not material. Shaw restricts Research Analysts from trading in securities outside of the ASX/S&P100 for which they write research. Other Shaw employees may hold interests in the company, but none of those interests are material.

DISCLAIMER: This report is published by Shaw to its clients by way of general, as opposed to personal, advice. This means it has been prepared for multiple distribution without consideration of your investment objectives, financial situation and needs (“Personal Circumstances”). Accordingly, the advice given is not a recommendation that a particular course of action is suitable for you and the advice is therefore not to be acted on as investment advice. You must assess whether or not the advice is appropriate for your Personal Circumstances before making any investment decisions. You can either make this assessment yourself, or if you require a personal recommendation, you can seek the assistance of your Shaw client adviser. This report is provided to you on the condition that it not be copied, either in whole or in part, distributed to or disclosed to any other person. If you are not the intended recipient, you should destroy the report and advise Shaw that you have done so. This report is published by Shaw in good faith based on the facts known to it at the time of its preparation and does not purport to contain all relevant information with respect to the financial products to which it relates. The research report is current as at the date of publication until it is replaced, updated or withdrawn. Although the report is based on information obtained from sources believed to be reliable, Shaw does not make any representation or warranty that it is accurate, complete or up to date and Shaw accepts no obligation to correct or update the information or opinions in it. If you rely on this report, you do so at your own risk. Any projections are indicative estimates only and may not be realised in the future. Such projections are contingent on matters outside the control of Shaw (including but not limited to market volatility, economic conditions and company-specific fundamentals) and therefore may not be realised in the future. Past performance is not a reliable indicator of future performance. Except to the extent that liability under any law cannot be excluded, Shaw disclaims liability for all loss or damage arising as a result of any opinion, advice, recommendation, representation or information expressly or impliedly published in or in relation to this report notwithstanding any error or omission including negligence.

Depending on the timing and size of your investment, your portfolio composition may differ to the model. Performance figures are derived from the inception date of the model and its investment transactions from that date, therefore the performance for your portfolio may be different. If you have any questions in connection with differences between your portfolio and the model, you should speak with your adviser.

IMPORTANT INFORMATION TO CONSIDER: It is important that before making a decision to invest in a Shaw Managed Accounts, a managed fund, an exchange traded fund, an individual hybrid security or listed debt instrument that you read the relevant Product Disclosure Statement (“PDS”). The PDS will contain information relevant to the specific product, including the returns, features, benefits and risks. The PDS can be found at: www.shawandpartners.com.au/media/1348/shawmanagedaccounts_pds.pdf.

RISKS ASSOCIATED WITH HYBRID SECURITIES: Hybrid securities and listed debt instruments differ from investments in equities and cash products in a number of important respects. The liquidity risk associated with an investment in hybrid securities and listed debt instruments will generally be greater than that associated with equities. The credit risk associated with hybrid securities and listed debt instruments is higher than that of a cash product or term deposit. Some hybrid securities may be perpetual in nature, meaning that they can only be redeemed or exchanged for cash or equity at the issuer's option. Hybrids may also contain terms which automatically trigger the deferral of an interest payment or cause the issuer to repay the hybrid earlier or later than anticipated. ASIC has published information to assist consumers in understanding the risks and benefits associated with an investment in hybrid securities or listed debt instruments. This information can be found under the heading ‘Complex Investments’ at www.moneysmart.gov.au/investing.

DISCLOSURE: Shaw will charge commission in relation to client transactions in financial products and Shaw client advisers will receive a share of that commission. Shaw, its authorised representatives, its associates and their respective officers and employees may have earned previously or may in the future earn fees and commission from dealing in the Company's financial products. Shaw acted as Sole/Joint Lead Manager and Underwriter in the August 2023 capital raising of Antipa Minerals (AZY) securities for which it received fees or will receive fees for acting in this capacity. Accordingly, Shaw may have a conflict of interest which investors should consider before making an investment decision.

Sydney Head Office	Melbourne	Brisbane	Adelaide	Canberra	Perth	Noosa
Level 7, Chifley Tower	Level 36	Level 28	Level 25	Level 7	Level 20	Suite 11a Q Place
2 Chifley Square	120 Collins Street	111 Eagle Street	91 King William Street	54 Marcus Clarke Street	108 St Georges Terrace	2 Quamby Place
Sydney NSW 2000	Melbourne VIC 3000	Brisbane QLD 4000	Adelaide SA 5000	Canberra ACT 2600	Perth WA 6000	Noosa Heads QLD 4567
Telephone: +61 2 9238 1238	Telephone: +61 3 9268 1000	Telephone: +61 7 3036 2500	Telephone: +61 8 7109 6000	Telephone: +61 2 6113 5300	Telephone: +61 8 9263 5200	Telephone: +61 7 3036 2570
Toll Free: 1800 636 625	Toll Free: 1800 150 009	Toll Free: 1800 463 972	Toll Free: 1800 636 625	Toll Free: 1800 636 625	Toll Free: 1800 198 003	Toll Free: 1800 271 201