

Antipa Minerals (AZY)

Rating: Buy | Risk: High | Price Target: \$0.04

14 May 2024

First assay results for GEO-01 RC holes

Key Information

Current Price (\$ps)	0.01
12m Target Price (\$ps)	0.04
52 Week Range (\$ps)	0.01 - 0.02
Target Price Upside (%)	217.4%
TSR (%)	217.4%
Reporting Currency	AUD
Market Cap (\$m)	49.6
Sector	Materials
Avg Daily Volume (m)	6.3
ASX 200 Weight (%)	0%

Fundamentals

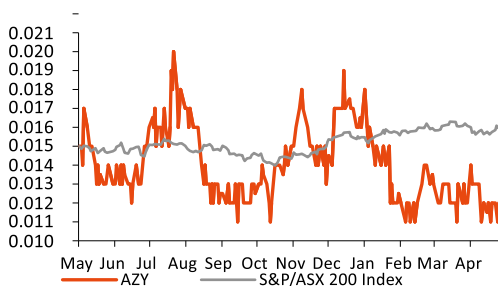
YE 20 Jun (AUD)	FY23A	FY24E	FY25E	FY26E
Sales (\$m)	0.2	0.0	0.0	0.0
NPAT (\$m)	(3.2)	(7.9)	(8.2)	(8.3)
EPS (cps)	(0.1)	(0.2)	(0.2)	(0.2)
EPS Growth (%)	49.0%	nm	(1.7%)	0.7%
DPS (cps) (AUD)	0.0	0.0	0.0	0.0
Franking (%)	0%	0%	0%	100%

Ratios

YE 20 Jun	FY23A	FY24E	FY25E	FY26E
P/E (x)	(15.0)	(5.4)	(5.3)	(5.4)
EV/EBITDA (x)	(13.8)	(5.6)	(5.5)	(5.4)
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 (%)	0.5%	(11.4%)	(5.9%)	(31.8%)
Absolute (%)	0.0%	(11.1%)	(4.0%)	(25.0%)
Benchmark (%)	(0.5%)	0.3%	1.9%	6.8%



Price performance indexed to 100

Source: FactSet

Major Shareholders

Newmont Corporation	9.9%
IGO	4.1%
Board and management	3.6%

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Event

Antipa Minerals has announced the results from the first six holes from Phase 1 drilling at Minyari Dome.

Highlights

- Initial 39 RC holes of the 71 hole 2024 Phase 1 drilling programme at the Minyari Dome are complete. Assays from the first six holes have returned wide zones of mineralisation including:
 - 66m at 1.4g/t from 118m, including:
 - 4m at 15.5g/t from 168m
 - 26m at 1.3 g/t from 37m, including:
 - 6m at 2.4g/t from 37m
 - 20m at 2.4 g/t from 114m, including:
 - 11m at 3.4 g/t from 122m
 - 39m at 1.0 g/t from 71m, including:
 - 5m at 2.0 g/t from 71m
- The depths of the intercepts indicate the potential for an open pit operation.
- Results show an increase in the thickness of the main zone, increasing the commercial attractiveness of the deposit.
- GEO-01 mineralisation remains open.
- The next batch of GEO-01 assay results are due at the end of this month.
- GEO-01 will receive approximately 75% of the 10.6km Phase 1 Minyari Dome Project RC drilling. The remainder of the Phase 1 RC programme will test additional target areas including; Rizzo, T12, GP01, WACA East, three Pacman targets and a Minyari mineral resource extension target.
- A maiden resource estimate for GEO-01 is due middle of 2024, we see this as a valuable addition to the 1.5Moz resource at Minyari. A 300koz resource at GEO-01 would potentially add three years mine life to the current seven years at Minyari (2022 Scoping study) for a total of 10 years which can be viewed as critical mass for development.
- Antipa finished the Mar'24 quarter with A\$5.4M and no debt.
- Upcoming catalysts we are looking for are:
 - A maiden resource estimate for GEO-01.
 - Assay results across multiple land packages.
 - Telfer ownership update. Newmont recently announced the sale the Telfer mine that was acquired as part of their purchase of Newcrest. We see a new owner of Telfer as a positive catalyst for Antipa as it will answer the ownership question that has held the region back and may result in more aggressive development timeframes.

Recommendation

We maintain our Buy recommendation with a price target of \$0.04 per share.

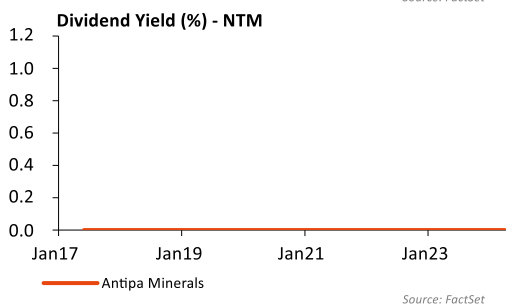
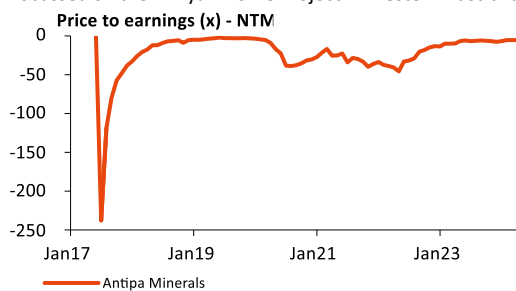
**Antipa Minerals
Materials
Materials**

FactSet: AZY-AU / Bloomberg: AZY AU

Key Items	Data
Recommendation	BUY
Risk	HIGH
Price (\$ps)	0.01
Target Price (\$ps)	0.04
52 Week Range (\$ps)	0.01 - 0.02
Shares on Issue (m)	4,134.8
Market Cap (\$m)	49.6
Enterprise Value (\$m)	44.8
TSR (%)	217.4%

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)	FY22A	FY23A	FY24E	FY25E	FY26E
EPS (Reported) (cps)	(0.2)	(0.1)	(0.2)	(0.2)	(0.2)
EPS (Underlying) (cps)	(0.2)	(0.1)	(0.2)	(0.2)	(0.2)
EPS (Underlying) Growth (%)	(65.0%)	49.0%	nm	(1.7%)	0.7%
PE (Underlying) (x)	(19.1)	(15.0)	(5.4)	(5.3)	(5.4)
EV / EBIT (x)	(7.8)	(13.3)	(5.6)	(5.5)	(5.4)
EV / EBITDA (x)	(7.9)	(13.8)	(5.6)	(5.5)	(5.4)
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%	100%
Payout Ratio (%)	0.0%	0.0%	0.0%	0.0%	0.0%
Profit and Loss (AUD) (m)	FY22A	FY23A	FY24E	FY25E	FY26E
Sales	0.5	0.2	0.0	0.0	0.0
Sales Growth (%)	(27.4%)	(59.2%)	(100.0%)	n/a	n/a
Other Operating Income	0.0	0.0	0.0	0.0	0.0
EBITDA	(5.7)	(3.3)	(8.0)	(8.2)	(8.4)
EBITDA Margin (%)	nm	nm	nm	nm	nm
Depreciation & Amortisation	(0.1)	(0.1)	0.0	0.0	0.0
EBIT	(5.8)	(3.4)	(8.0)	(8.2)	(8.4)
EBIT Margin (%)	nm	nm	nm	nm	nm
Net Interest	0.0	0.2	0.1	0.0	0.1
Pretax Profit	(5.7)	(3.2)	(7.9)	(8.2)	(8.3)
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	(5.7)	(3.2)	(7.9)	(8.2)	(8.3)
Significant Items	0.0	0.0	0.0	0.0	0.0
NPAT Reported	(5.7)	(3.2)	(7.9)	(8.2)	(8.3)
Cashflow (AUD) (m)	FY22A	FY23A	FY24E	FY25E	FY26E
EBIT	(5.8)	(3.4)	(8.0)	(8.2)	(8.4)
Payments to Suppliers	(2.3)	(2.8)	1.6	1.5	1.3
Receipts from Customers	0.0	0.2	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	(0.3)	0.0	0.0
Depreciation & Amortisation	0.1	0.1	0.0	0.0	0.0
Other	0.5	0.1	0.1	0.0	0.1
Operating Cashflow	(1.7)	(2.4)	1.4	1.4	1.4
Capex	0.0	0.0	0.0	0.0	0.0
Acquisitions and Investments	(22.7)	(9.6)	(9.6)	(9.6)	(9.6)
Disposal of Fixed Assets/Investments	0.0	0.0	0.0	0.0	0.0
Other	(1.6)	(1.3)	0.0	0.0	0.0
Investing Cashflow	(24.3)	(10.9)	(9.6)	(9.6)	(9.6)
Equity Raised / Bought Back	0.0	12.3	0.0	20.0	0.0
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	0.2	(0.8)	0.0	0.0	0.0
Financing Cashflow	0.3	11.5	0.0	20.0	0.0
Exchange Rate Effect	0.0	0.0	0.0	0.0	0.0
Net Change in Cash	(25.8)	(1.8)	(8.2)	11.8	(8.3)
Balance Sheet (AUD) (m)	FY22A	FY23A	FY24E	FY25E	FY26E
Cash	7.9	5.8	(2.4)	9.4	1.1
Accounts Receivable	0.5	0.3	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	55.0	64.6	64.6	64.6	64.6
Total Assets	63.4	70.7	62.2	74.0	65.7
Accounts Payable	2.3	1.4	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	4.2	2.6	2.0	2.0	2.0
Ratios	FY22A	FY23A	FY24E	FY25E	FY26E
ROE (%)	(9.5%)	(4.9%)	(12.3%)	(12.3%)	(12.1%)
Gearing (%)	(15.2%)	(9.2%)	3.8%	(14.9%)	(1.7%)
Net Debt / EBITDA (x)	1.4	1.8	(0.3)	1.1	0.1

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 Resourec 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 given the large strategic landholding and multiple major JV partners.

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

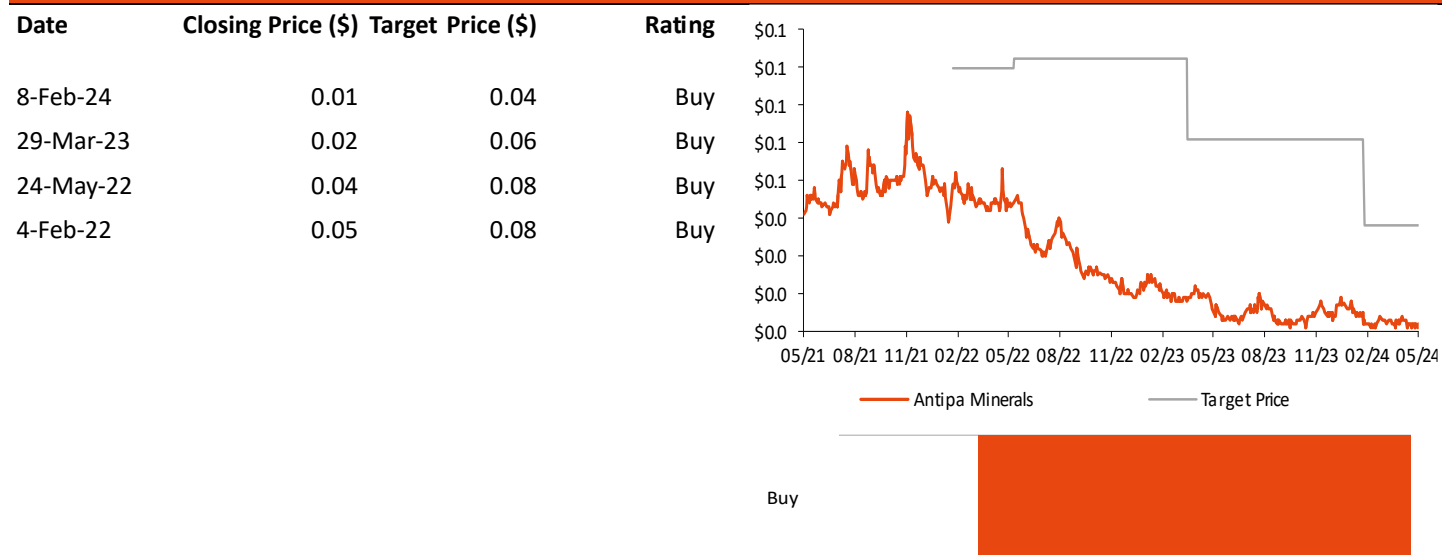
High	Higher risk than the overall market – investors should be aware this stock may be speculative
Medium	Risk broadly in line with the overall market
Low	Lower risk than the overall market

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	69	91%
Hold	6	8%
Sell	1	1%

History of Investment Rating and Target Price - Antipa Minerals



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