

# Antipa Minerals (AZY)

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

4 June 2024

## GEO-01 assay results

### Key Information

Current Price (\$ps)	0.01
12m Target Price (\$ps)	0.04
52 Week Range (\$ps)	0.01 - 0.02
Target Price Upside (%)	172.0%
TSR (%)	172.0%
Reporting Currency	AUD
Market Cap (\$m)	57.9
Sector	Materials
Avg Daily Volume (m)	4.0
ASX 200 Weight (%)	0%

### Fundamentals

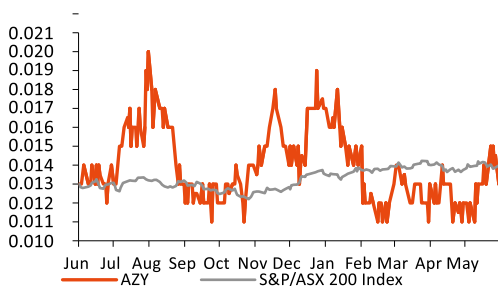
YE 20 Jun (AUD)	FY23A	FY24E	FY25E	FY26E
Sales (\$m)	0.2	0.0	0.0	0.0
NPAT (\$m)	(3.2)	(7.9)	(8.2)	(8.3)
EPS (cps)	(0.1)	(0.2)	(0.2)	(0.2)
EPS Growth (%)	49.0%	nm	(1.7%)	0.7%
DPS (cps) (AUD)	0.0	0.0	0.0	0.0
Franking (%)	0%	0%	0%	100%

### Ratios

YE 20 Jun	FY23A	FY24E	FY25E	FY26E
P/E (x)	(15.0)	(6.3)	(6.2)	(6.3)
EV/EBITDA (x)	(16.3)	(6.6)	(6.5)	(6.3)
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 (%)	15.0%	8.4%	7.4%	(4.9%)
Absolute (%)	16.7%	7.7%	7.7%	3.7%
Benchmark (%)	1.7%	(0.7%)	0.3%	8.6%



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

A further 13 assay results have been received from the CY2024 Phase 1 reverse circulation (RC) drilling at GEO-01.

### Highlights

- The GEO-01 discovery is located 1.3km south of the 1.5Moz Minyari gold-copper deposit.
- New zones of gold mineralisation have been identified following receipt of a further 13 assay results from the CY2024 Phase 1 RC drilling at GEO-01.
- Results thus far have extended the main zone of GEO-01 mineralisation to 500m along strike (previously 250m) and 190m across strike (previously 150m).
- Highlights from this round of assays include:
  - 11m at 1.2g/t from 17m
  - 8m at 1.0g/t from 53m
- Whilst the results may not be exceptionally high grade the relatively shallow depth and potential overall scale will aid in presenting potentially favourable economics.
- Assay results have now been returned from the first 19 holes of the 81 hole RC programme, covering 3,408m of the 13,122m drilled.
- The phase 1 RC programme also tested several additional targets including Rizzo, T12, GP01, WACA East and a Minyari extension.
- The next round of assay results are expected to be returned in the coming weeks.
- GEO-01 mineralisation remains open in multiple directions and continues to grow in line with step-out drilling.
- 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 has announced the sale of 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.

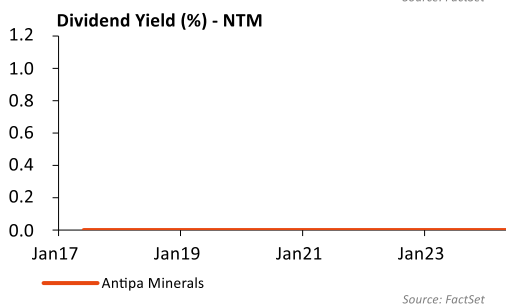
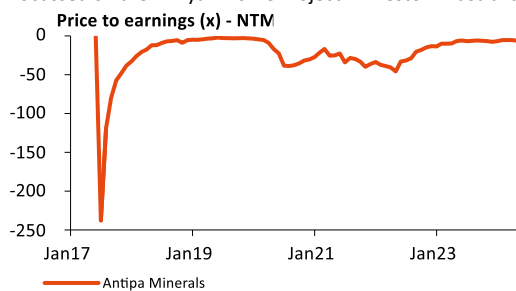
**Antipa Minerals  
Materials  
Materials**

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)	57.9
Enterprise Value (\$m)	53.0
TSR (%)	172.0%

**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)	(6.3)	(6.2)	(6.3)
EV / EBIT (x)	(9.2)	(15.8)	(6.6)	(6.5)	(6.3)
EV / EBITDA (x)	(9.4)	(16.3)	(6.6)	(6.5)	(6.3)
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

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

## Risk Rating

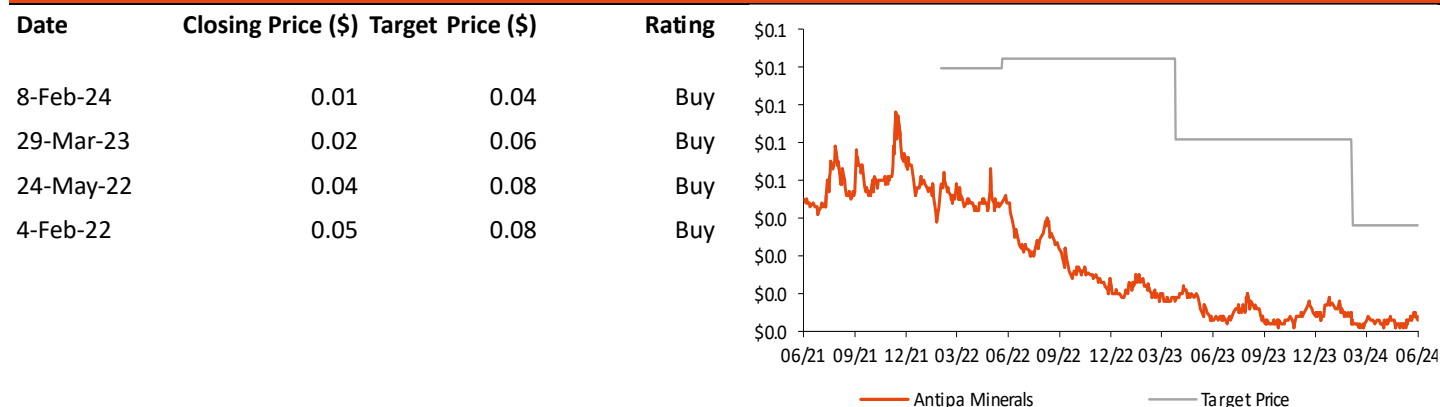
<b>High</b>	Higher risk than the overall market – investors should be aware this stock may be speculative
<b>Medium</b>	Risk broadly in line with the overall market
<b>Low</b>	Lower risk than the overall market

**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	70	91%
Hold	6	8%
Sell	1	1%

### History of Investment Rating and Target Price - Antipa Minerals



Buy

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