

30 July 2024

## Corp

Ticker **AZY:ASX**

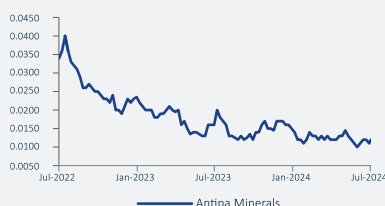
**Mining**  
 Shares in issue (m) 4,710.0  
 Next results FY Jun

**Price** **A\$0.01**  
 Target price A\$0.04  
 Upside n/a

**Market Cap** **A\$56.5m**  
 Net debt/(cash) -A\$8.5m  
 Other EV adjustments A\$0.0m  
 Enterprise value A\$48.0m

**What's changed?** **From** **To**  
 Adjusted EPS -0.0 -0.0  
 Target price 0.04 0.04

## Share price performance



%	1M	3M	12M
Actual	20.0	0.0	-25.0

## Company description

Antipa is a mineral exploration company focused on the Paterson Province of Western Australia

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\* denotes corporate client of Cavendish

## Antipa Minerals

## Quarterly update to 30 June

Following a busy quarter with positive results expanding GEO-01, and the recent capital raise Antipa's reported cash balance as of 30 June was A\$7.7m (Antipa cash only) with zero debt. Post quarter-end, Newmont elected to exercise its right to maintain an 8.6% shareholding in Antipa for A\$0.54m in new funds which (subject to shareholder approval) will increase the total new funding to A\$6.25m at A\$0.01, including a A\$2.0m cornerstone investment from ASX listed specialist mining investment company Lion Selection Group. In addition, up to A\$1.0m drill-for-equity agreement was executed with drill programme service provider Topdrill.

In terms of what's to come, results from diamond drilling completed at the two Pacman targets are expected August 2024. The maiden GEO-01 discovery MRE is scheduled for completion by mid-August 2024 alongside the update of the existing Minyari MRE, including incorporation of results from drilling at the Minyari Southeastern Extension target. This will be followed by the update of the August 2022 Minyari Dome Scoping Study expected by mid-September 2024 which given the rise in the gold price and possible life-of-mine expansions should prove to be a significant moment for Antipa.

We maintain our valuation at A\$0.04 (A\$202m) on a sum-of-the-parts basis, underpinned by a solid asset on the development path, all with discovery upside re-rating potential and with potential M&A exits.

- Ongoing **exploration activities** at Antipa's 100% owned Minyari Dome Project aim to expand the Mineral Resource (currently 1.8moz gold at 1.6g/t, plus 64kt copper at 0.19%, 584koz silver at 0.54g/t and 11kt cobalt at 0.03% for Minyari and WACA). An updated MRE is expected in September. Antipa is trading at a discount to its peers on an EV/oz basis of A\$13 against a peer group average of over A\$40/oz, we would expect a re-rating to occur.
- **The GEO-01 results** look promising, and the aim is to prove up enough to give Minyari Dome the resource to support a possible 10-year life-of-mine as a stand-alone project. Given how shallow this is, Antipa may only need to add 450-500koz resource to get the extra 300koz of mineable inventory.
- Alongside Antipa's own exploration programme for Minyari Dome, the company continues to work closely with **JV partner** Rio Tinto, and Farm-in partners Newmont and IGO in the execution of the 2024 exploration programmes in the Paterson Province.
- Newmont's **decision to divest** Telfer and their 70% share of Havieron could act as the catalyst to consolidation in the region. Alongside Rio looking at its options on Winu, there could be a changing of the guard in Western Australia's Paterson Province and will consolidation take place?
- Antipa reported cash at 30 June 2024 of A\$8m, (A\$360,000, held on behalf of joint venture and farm-in parties). Antipa is funded to complete its near-term exploration programme.

Key estimates		2020A	2021A	2022A	2023A	2024E
Year end:		Jun	Jun	Jun	Jun	Jun
Revenue	A\$m	0.0	0.0	0.0	0.0	0.0
Adj EBITDA	A\$m	-2.4	-4.2	-6.2	-3.3	-1.3
Adj EBIT	A\$m	-2.4	-4.3	-6.4	-3.4	-1.3
Adj PBT	A\$m	-2.4	-4.3	-6.4	-3.3	-1.3
Adj EPS	c	-0.1	-0.1	-0.2	-0.1	-0.0
DPS	c	0.0	0.0	0.0	0.0	0.0

Key valuation metrics		2020A	2021A	2022A	2023A	2024E
EV/sales	x	n/m	n/m	n/m	n/m	n/m
EV/EBIT (adj)	x	-19.8	-11.3	-7.6	-14.1	-36.9
P/E (adj)	x	-12.2	-9.2	-6.4	-15.0	-52.2
Dividend yield	%	0.0%	0.0%	0.0%	0.0%	0.0%
Free cash yield	%	-8.4%	-9.6%	-44.1%	-22.5%	-18.2%

Income statement		2021A	2022A	2023A	2024E
Year end:		Jun	Jun	Jun	Jun
Sales	A\$m	0.0	0.0	0.0	0.0
Gross profit	A\$m	0.0	0.0	0.0	0.0
EBITDA (adjusted)	A\$m	-4.2	-6.2	-3.3	-1.3
<b>EBIT (adjusted)</b>	<b>A\$m</b>	<b>-4.3</b>	<b>-6.4</b>	<b>-3.4</b>	<b>-1.3</b>
Associates/other	A\$m	0.0	0.0	0.0	0.0
Net interest	A\$m	-0.0	-0.0	0.1	0.0
<b>PBT (adjusted)</b>	<b>A\$m</b>	<b>-4.3</b>	<b>-6.4</b>	<b>-3.3</b>	<b>-1.3</b>
Total adjustments	A\$m	0.0	0.0	0.0	0.0
PBT (stated)	A\$m	-4.3	-6.4	-3.3	-1.3
Tax charge	A\$m	0.0	0.0	0.0	0.0
Minorities/Disc ops	A\$m	0.0	0.0	0.0	0.0
Reported earnings	A\$m	-4.3	-6.4	-3.3	-1.3
<b>Adjusted earnings</b>	<b>A\$m</b>	<b>-4.3</b>	<b>-6.4</b>	<b>-3.3</b>	<b>-1.3</b>
Shares in issue (year end)	m	3,131.4	3,139.7	3,597.1	4,710.0
EPS (stated)	c	-0.2	-0.2	-0.1	-0.0
<b>EPS (adjusted, fully diluted)</b>	<b>c</b>	<b>-0.1</b>	<b>-0.2</b>	<b>-0.1</b>	<b>-0.0</b>
DPS	c	0.0	0.0	0.0	0.0

Cash flow		2021A	2022A	2023A	2024E
Year end:		Jun	Jun	Jun	Jun
EBITDA	A\$m	-4.2	-6.2	-3.3	-1.3
Net change in working capital	A\$m	0.3	0.2	-0.0	0.0
Other operating items	A\$m	2.3	3.9	0.6	0.0
<b>Cash flow from op. activities</b>	<b>A\$m</b>	<b>-1.5</b>	<b>-2.2</b>	<b>-2.8</b>	<b>-1.3</b>
Cash interest	A\$m	0.0	0.0	0.0	0.0
Cash tax	A\$m	0.0	0.0	0.0	0.0
Capex	A\$m	-3.9	-22.7	-10.0	-9.0
Other items	A\$m	0.0	0.0	0.0	0.0
<b>Free cash flow</b>	<b>A\$m</b>	<b>-5.4</b>	<b>-24.9</b>	<b>-12.7</b>	<b>-10.3</b>
Acquisitions / disposals	A\$m	0.0	0.0	0.0	0.0
Dividends	A\$m	0.0	0.0	0.0	0.0
Shares issued	A\$m	30.1	0.3	11.5	12.7
Other	A\$m	0.0	0.0	0.0	0.0
<b>Net change in cash flow</b>	<b>A\$m</b>	<b>24.6</b>	<b>-24.6</b>	<b>-1.2</b>	<b>2.4</b>
Opening net cash (debt)	A\$m	6.8	31.4	6.8	5.6
<b>Closing net cash (debt)</b>	<b>A\$m</b>	<b>31.4</b>	<b>6.8</b>	<b>5.6</b>	<b>8.0</b>

Balance sheet		2021A	2022A	2023A	2024E
Year end:		Jun	Jun	Jun	Jun
Tangible fixed assets	A\$m	38.2	55.9	65.5	74.5
Goodwill & other intangibles	A\$m	0.0	0.0	0.0	0.0
Other non current assets	A\$m	0.0	0.0	0.0	0.0
Net working capital	A\$m	-7.7	-2.1	-1.5	-1.0
Other assets	A\$m	0.0	0.0	0.0	0.0
Other liabilities	A\$m	-2.5	-1.1	-0.4	0.0
Gross cash & cash equivs	A\$m	33.7	7.9	5.8	8.0
<b>Capital employed</b>	<b>A\$m</b>	<b>61.8</b>	<b>60.5</b>	<b>69.4</b>	<b>81.5</b>
Gross debt	A\$m	0.5	0.5	0.4	0.0
Net pension liability	A\$m	0.0	0.0	0.0	0.0
Shareholders equity	A\$m	61.2	60.1	69.0	81.5
Minorities	A\$m	0.0	0.0	0.0	0.0
<b>Capital employed</b>	<b>A\$m</b>	<b>61.8</b>	<b>60.5</b>	<b>69.4</b>	<b>81.5</b>

Growth analysis		2021A	2022A	2023A	2024E
Year end:		Jun	Jun	Jun	Jun
Sales growth	%	n/m	n/m	n/m	n/m
EBITDA growth	%	-78.3%	-49.0%	47.0%	60.7%
EBIT growth	%	-76.0%	-48.9%	46.3%	61.9%
PBT growth	%	-75.5%	-48.9%	48.7%	60.3%
EPS growth	%	-32.8%	-44.3%	57.7%	71.2%
DPS growth	%	n/m	n/m	n/m	n/m

Profitability analysis		2021A	2022A	2023A	2024E
Year end:		Jun	Jun	Jun	Jun
Gross margin	%	n/m	n/m	n/m	n/m
EBITDA margin	%	n/m	n/m	n/m	n/m
EBIT margin	%	n/m	n/m	n/m	n/m
PBT margin	%	n/m	n/m	n/m	n/m
Net margin	%	n/m	n/m	n/m	n/m

Valuation analysis		2021A	2022A	2023A	2024E
Year end:		Jun	Jun	Jun	Jun
EV/EBITDA	x	-11.5	-7.7	-14.5	-36.9
EV/EBIT	x	-11.3	-7.6	-14.1	-36.9
P/E	x	-9.2	-6.4	-15.0	-52.2

Cash flow analysis		2021A	2022A	2023A	2024E
Year end:		Jun	Jun	Jun	Jun
Cash conv'n (op cash / EBITDA)	%	n/m	n/m	n/m	n/m
Cash conv'n (FCF / EBITDA)	%	129.3%	399.0%	384.3%	792.3%
U/lying FCF (capex = depn)	A\$m	-1.6	-2.3	-2.9	-1.3
Cash quality (u/l FCF / adj earn)	%	37.8%	36.2%	87.3%	100.0%
Investment rate (capex / depn)	x	51.0	210.2	96.8	n/m
Interest cash cover	x	n/a	n/a	n/a	n/a
Dividend cash cover	x	n/a	n/a	n/a	n/a

Working capital analysis		2021A	2022A	2023A	2024E
Year end:		Jun	Jun	Jun	Jun
Net working capital / sales	%	n/m	n/m	n/m	n/m
Net working capital / sales	days	n/m	n/m	n/m	n/m
Inventory (days)	days	n/m	n/m	n/m	n/m
Receivables (days)	days	n/m	n/m	n/m	n/m
Payables (days)	days	n/m	n/m	n/m	n/m

Leverage analysis		2021A	2022A	2023A	2024E
Year end:		Jun	Jun	Jun	Jun
Net debt / equity	%	net cash	net cash	net cash	no debt
Net debt / EBITDA	x	n/a	n/a	n/a	n/a
Liabilities / capital employed	%	0.9%	0.8%	0.6%	0.0%

Capital efficiency & intrinsic value		2021A	2022A	2023A	2024E
Year end:		Jun	Jun	Jun	Jun
Adjusted return on equity	%	-7.0%	-10.6%	-4.7%	-1.6%
RoCE (EBIT basis, pre-tax)	%	-6.9%	-10.5%	-4.9%	-1.6%
RoCE (u/lying FCF basis)	%	-2.6%	-3.8%	-4.1%	-1.6%
NAV per share	c	2.0	1.9	1.9	1.7
NTA per share	c	2.0	1.9	1.9	1.7

## Update

During the quarter drilling at GEO-01 returned multiple thick zones of near-surface, potentially open-pittable, high grade gold mineralisation. New zones of gold mineralisation were successfully identified, and the main zone of GEO-01 mineralisation was expanded to 500m along strike and up to 190m across strike.

CY2024 Phase 1 RC drilling at GP01 included two holes for 348m. Both holes intersected significant high-grade gold mineralisation including the following results:

- 8m at 5.3g/t gold and 0.07% copper from 96m down hole in 24MYC0607, including:
  - 4m at 8.5g/t gold and 0.12% copper from 96m down hole.
- 16m at 1.1g/t gold from 108m down hole in 24MYC0608.

CY2024 Phase 1 RC drilling at the Minyari Southeastern Extension Target included seven holes for 684m, with significant gold mineralisation intersected within a corridor 150m along strike, over an area of between 30-40m across strike. New mineralisation intersected included:

- 51m at 0.5g/t gold from 16m down hole in 24MYC0492, including:
  - 8m at 1.6g/t gold from 21m down hole.

Results remain outstanding for the two diamond core drill holes (for 2,120m) completed at the PM1 and PM2 targets. With the expansion of RC drilling at GEO-01, the diamond core drill hole scheduled at the PM3 target will be completed during the CY2024 Phase 2 drilling programme.

## Outlook

- Results from diamond drilling completed at the two Pacman targets are expected August 2024.
- Detailed GEO-01 geological and structural interpretation to conclude July 2024.
- Return of one-metre re-split assaying of selected GEO-01 and GP01 four-metre composite RC drill samples to identify zones of higher-grade gold mineralisation, expected September 2024.
- Delivery of maiden GEO-01 discovery MRE scheduled for completion by mid-August 2024.
- Preliminary GEO-01 metallurgical test-work is set to begin August 2024.
- Update of the existing Minyari MRE, including incorporation of results from drilling at the Minyari Southeastern Extension target, scheduled for completion by mid-August 2024.
- Update of the August 2022 Minyari Dome Scoping Study expected by mid-September 2024. Set to include any potential additional production opportunity that GEO-01 may provide and to incorporate the sustained significant increase in the Australian dollar gold price.

## Impact

The 100% owned Minyari Dome Gold-Copper-Silver Project currently hosts a 1.8moz gold resource (at 1.6g/t) which was the subject of a Scoping Study (NPV7 at US\$1,750/oz, or A\$2,430/oz, of A\$278m post tax August 2022) confirming the potential for a sizeable standalone initial development opportunity with further substantial upside in GEO-01 and surrounding projects in the form of a maiden MRE providing more potential life to the project and growth to Minyari Dome itself with the inclusion of drilling at the Minyari Southeastern Extension target. All located just 35km from Newmont's large 22mtpa Telfer gold-copper-silver processing facility.

We valued Minyari Dome based on a US\$1,750 (A\$2,677) gold price using a 7% discount rate at A\$278m based on the 2022 PEA. Spot gold today is over US\$2,383 (A\$3,647) so 36% higher, for every 10% increase in gold price this increases our NPV by 46% to over \$400m so a very significant uplift, although we have not taken any cost inflation in the last year into account. However, that's before the option of removing the capital cost of a standalone plant and using the available excess processing capacity at Telfer. Either way, Antipa, on a stand-alone basis looks interesting as it's growing Minyari Dome to potentially provide a 10+ year life-of-mine. Then there is the serious, free-carried exploration optionality provided by the JVs and earn-ins with Rio, Newmont and IGO.

Figure 1: Valuation

SOTP Valuation	Unit	Base Case	NAVx	Disc. NAV	A\$/sh
Minyari Dome <small>NPV 7% US\$1750/oz</small>	A\$m	278	0.25	70	0.02
Minyari Exploration	A\$m	130	0.25	33	0.01
Other Exploration	A\$m	92	1.00	92	0.02
Cash	A\$m	9	1	9	0.00
Debt	A\$m	-	1	-	-
ITM Options	A\$m	-	1	-	-
<b>Total</b>	<b>A\$m</b>	<b>508</b>	<b>-</b>	<b>202</b>	<b>0.04</b>

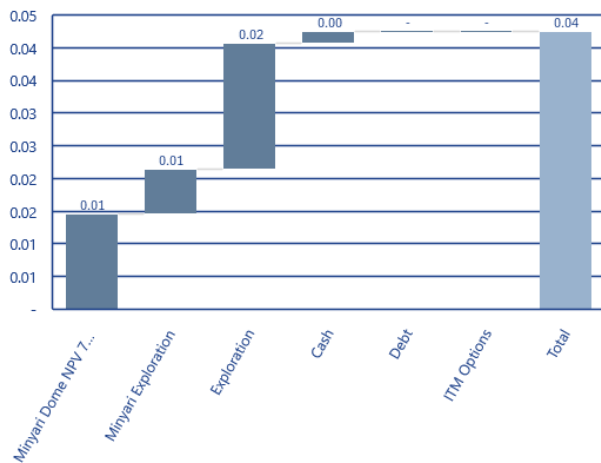
Valuation Progression	Scoping Study	DFS	Funded	Start Up	Prod.
NAV multiple x	0.25	0.5	0.6	0.8	0.95
Minyari Dome NPV 7% US\$1750/oz per share A\$C	70	139	167	222	264
	1	3	4	5	6

Catalysts

1. Pacman Results
2. JV/Farm in drilling
3. Maiden Geo-01 MRE and Updated Minyari Dome MRE
4. Minyari Dome Scoping study update
5. Potential M&A

Source: Cavendish estimates

Figure 3: Valuation



Source: Cavendish estimates

Figure 5: Shareholders

Holder	%
Newmont Corp.	7.6 (8.6)
Lion Selection Group	4.3
IGO	3.2
Board	3.0
Institutions	18.4
Other	63.5

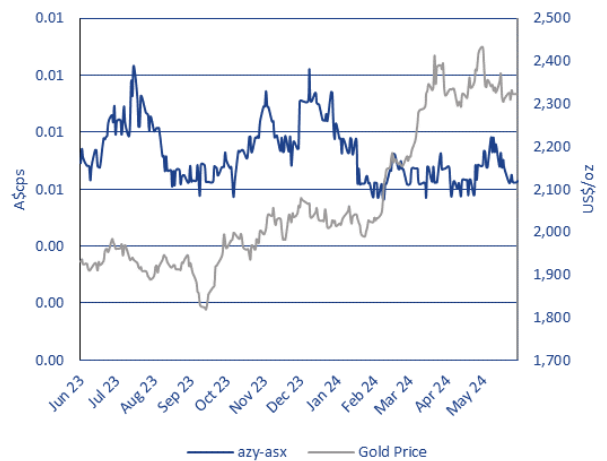
Source: Company data

Figure 2: Resource Reserve

Category (100% basis)	Cut off (g/t Au)	Tonnes (mt)	Grade (g/t Au)	Metal Content (Oz Au)
<b>Minyari Dome (100% Antipa)</b>				
Indicated	0.5 Au	15	1.17	567,000
Inferred	0.5 Au	3	1.12	96,000
Sub-Total	0.5 Au	18	1.17	663,000
Indicated	1.5 Au	4	2.30	328,000
Inferred	1.5 Au	6	2.51	523,000
Sub-Total	1.5 Au	11	2.48	851,000
<b>Total</b>		<b>28</b>	<b>1.66</b>	<b>1,514,000</b>
<b>WACA</b>				
Indicated	0.5 Au	1.7	0.97	52,000
Inferred	0.5 Au	1.5	1.02	51,000
Sub-Total		3.2	0.99	103,000
Inferred	1.5 Au	1.6	1.69	89,000
<b>Total</b>		<b>4.9</b>	<b>1.23</b>	<b>192,000</b>
<b>Minyari + WACA + Satellite Deposits</b>		<b>34</b>	<b>1.60</b>	<b>1,746,304</b>
<b>Citadel (Rio Tinto JV)</b>				
Inferred	0.5 Au	92	0.72	2,100,000
Magnum				
<b>Inferred</b>	<b>0.5 Au</b>	<b>16</b>	<b>0.70</b>	<b>340,000</b>
<b>Wilki Project (Newcrest Farm in) Chicken Ranch + Tim's Dome</b>				
<b>Inferred</b>	<b>0.5 Au</b>	<b>2</b>	<b>1.30</b>	<b>103,500</b>
<b>AZY EV/oz</b>	<b>Au Eq.</b>		<b>A\$/oz</b>	<b>13</b>
<b>Peer EV/oz</b>	<b>Au</b>		<b>A\$/oz</b>	<b>40</b>

Source: Company Data

Figure 4: Share Price vs Gold



Source: S&P CapIQPro

Figure 6: Board

Board	Position	Appointed
Stephen Power	Non-Exec Chairman	2010
Peter Buck	Independent & Non-Exec. Director	2010
Gary Johnson	Independent & Non-Exec. Director	2010
Roger Mason	Managing Director & CEO	2010
Mark Rodda	Exec. Director Commercial & Legal	2010

Source: Company data

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### Recommendations definitions

Definition of research recommendations

Expected absolute returns

BUY is an expected return greater than 10%

HOLD is an expected return -10% - +10%

SELL is an expected return less than -10%

UNDER REVIEW: recommendation and/or forecasts are under review pending further clarity as to the company's financial and/or operational position

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	Corporate client no.	Corporate client %	Total no.	Total %
Buy	2	1.5%	13	8.3%
Hold	0	0.0%	0	0.0%
Sell	0	0.0%	0	0.0%
Under Review	0	0.0%	0	0.0%
Corp	132	96.4%	144	91.7%

Temporary movements by stocks across the boundaries of these categories due to share price volatility will not necessarily trigger a recommendation change. All recommendations are based on 12-month time horizon unless otherwise stated.

### Recommendation history

Company	Disclosures	Date	Rec	Price	Target price
Antipa Minerals	9	19 October 23	Corp	A\$0.01	A\$0.05

Source: Cavendish

A list of all the recommendations produced/issued by the relevant Sales Person / Research Analyst on any financial instrument or issuer disseminated during the preceding 12 months is available upon request free of charge. Please contact the appropriate Cavendish analyst or your Cavendish contact on 020 7220 0500.

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