

# Antipa Minerals (AZY)

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

17 September 2024

## Updated Minyari Dome MRE

### Key Information

|                         |             |
|-------------------------|-------------|
| Current Price (\$ps)    | 0.02        |
| 12m Target Price (\$ps) | 0.04        |
| 52 Week Range (\$ps)    | 0.01 - 0.02 |
| Target Price Upside (%) | 111.4%      |
| TSR (%)                 | 111.4%      |
| Reporting Currency      | AUD         |
| Market Cap (\$m)        | 70.3        |
| Sector                  | Materials   |
| Avg Daily Volume (m)    | 12.0        |
| ASX 200 Weight (%)      | 0%          |

### Fundamentals

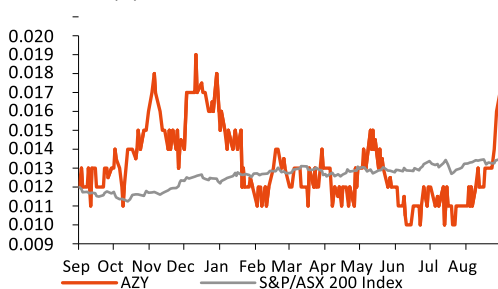
| YE 20 Jun (AUD) | FY23A | FY24E | FY25E  | FY26E |
|-----------------|-------|-------|--------|-------|
| Sales (\$m)     | 0.2   | 0.0   | 0.0    | 0.0   |
| NPAT (\$m)      | (3.2) | (7.9) | (8.2)  | (8.3) |
| EPS (cps)       | (0.1) | (0.2) | (0.2)  | (0.2) |
| EPS Growth (%)  | 49.0% | nm    | (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) | (7.7) | (7.6) | (7.6) |
| EV/EBITDA (x)    | (20.1) | (8.2) | (8.0) | (7.8) |
| 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 (%)  | 52.6% | 40.2% | 36.6% | 24.4% |
| Absolute (%)  | 54.5% | 41.7% | 41.7% | 36.0% |
| Benchmark (%) | 1.9%  | 1.5%  | 5.1%  | 11.6% |



### Major Shareholders

|                      |      |
|----------------------|------|
| Newmont Corporation  | 8.6% |
| IGO                  | 4.1% |
| Board and management | 3.6% |

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### Event

Antipa Minerals has announced an update to the Mineral Resource estimate (MRE) for its 100% owned Minyari Dome Gold-Copper Project in the Paterson Province of Western Australia.

### Highlights

- The Minyari Dome MRE now stands at 47.6Mt at 1.51g/t Au (2.3Moz), 0.18% Cu (84Kt), 0.43g/t Ag (661koz) and 0.03% Co (13kt) or 2.9Moz AuEq at 1.9g/t AuEq.

| Metal        | 2024 MRE | 2022 MRE | Δ    |
|--------------|----------|----------|------|
| Gold - Moz   | 2.32     | 1.75     | +33% |
| Gold - g/t   | 1.51     | 1.60     | -6%  |
| Copper - Kt  | 84.0     | 64.3     | +31% |
| Copper - %   | 0.18     | 0.19     | -5%  |
| Silver - Koz | 661.0    | 584.5    | +13% |
| Silver - g/t | 0.43     | 0.54     | -20% |
| Cobalt - Kt  | 13.0     | 11.0     | +18% |
| Cobalt - %   | 0.03     | 0.03     | -    |

- The update includes a maiden MRE for GEO-01 of 6.7Mt at 0.7g/t Au for 151Koz.
- 68% of the Minyari Dome MRE now sits within the Indicated category.
- 0.4g/t AuEq and 1.5g/t AuEq cut-off grades used for open pit and underground respectively (previous MRE used 0.5g/t AuEq and 1.5g/t AuEq).
- Recently Rio Tinto agreed to pay A\$17M in cash for Antipa's 32% interest in Citadel, with the full amount payable on completion. Post transaction Antipa will have an approximate cash balance of A\$23M, leaving it well funded to continue exploration and development of Minyari Dome.
- Newmont (NEM-ASX, Not Rated) has agreed to sell Telfer, its 70% stake in the Havieron project, and any other related interests in the Paterson region, to Greatland Gold (GGP-LSE, Not Rated) for \$US475 million (A\$714M).
  - Greatland holds the other 30% of the Havieron project.
  - Havieron's Mineral Resource estimate comprises of 131Mt at 1.7g/t Au and 0.21% Cu, for a total of 7Moz of gold and 275kt of copper.
  - Telfer is considered a strategic asset in the province due its 22mtpa processing capacity, the site's declining production profile results in significant excess capacity that could potentially be filled by Havieron (Greatland) and Minyari (Antipa) among other nearby assets utilising a hub and spoke model.
  - 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 results in more aggressive development timeframes and potential consolidation in the province.
- Upcoming catalysts we are looking for are:
  - Updated Minyari Dome scoping study, due end of September 2024.
  - Further exploration drilling at GEO-01, Minyari North and Minyari South.

### Recommendation

We maintain our Buy recommendation with a price target of \$0.04/sh.

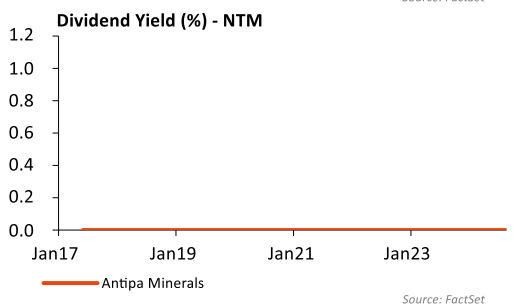
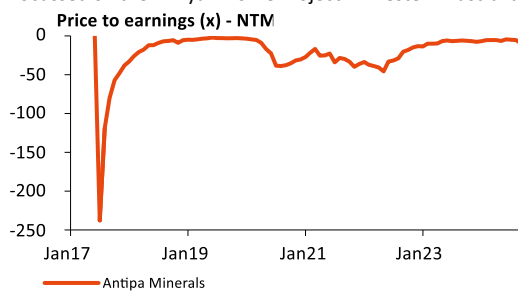
**Antipa Minerals  
Materials  
Materials**

FactSet: AZY-AU / Bloomberg: AZY AU

| Key Items              | Data        |
|------------------------|-------------|
| Recommendation         | BUY         |
| Risk                   | HIGH        |
| Price (\$ps)           | 0.02        |
| Target Price (\$ps)    | 0.04        |
| 52 Week Range (\$ps)   | 0.01 - 0.02 |
| Shares on Issue (m)    | 4,134.8     |
| Market Cap (\$m)       | 70.3        |
| Enterprise Value (\$m) | 65.4        |
| TSR (%)                | 111.4%      |

**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)  | (7.7)    | (7.6)   | (7.6)   |
| EV / EBIT (x)                        | (11.3)  | (19.5)  | (8.2)    | (8.0)   | (7.8)   |
| EV / EBITDA (x)                      | (11.5)  | (20.1)  | (8.2)    | (8.0)   | (7.8)   |
| 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 starts from surface and is large enough to support a standalone development. We expect the Antipa Minerals share price to re-rate as the company continues to develop a standalone project.
- 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

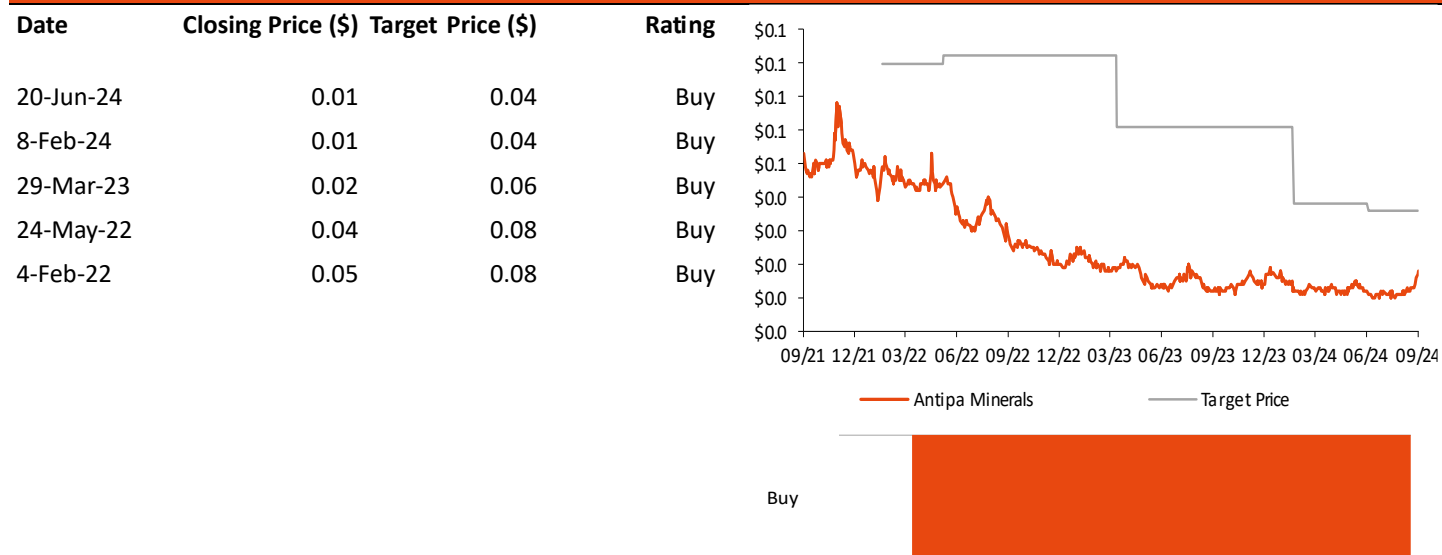
|               |   |
|---------------|---|
| <b>High</b>   | Higher risk than the overall market – investors should be aware this stock may be speculative |
| <b>Medium</b> | Risk broadly in line with the overall market  |
| <b>Low</b>    | Lower risk than the overall market  |

**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    | 78    | 95%                     |
| Hold   | 4     | 5%                      |
| Sell   | 0     | 0%                      |

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



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