

Greatland Gold (Telfer) needed this ore yesterday

AZY.ASX | ANTIPA MINERALS LIMITED | MATERIALS | GOLD

PRICE
A\$0.033/sh

TARGET PRICE
A\$0.063/sh
(FROM A\$0.032/sh)

RECOMMENDATION
SPECULATIVE BUY
(UNCHANGED)



Event

AZY is due to announce its updated Scoping Study (SS) for its 100% owned Minyari Dome gold project. We have updated our assumptions (Euroz Hartleys estimates - EHe) in anticipation, with the key differences compared to the Company's previous SS in August 2022:

- Capex: ~A\$350m EHe for a 3mtpa plant (A\$275m Aug'22 SS)
- Production ~170kozpa EHe (168koz years Aug'22 SS)
- AISC of ~A\$2,100/oz EHe (A\$1,475/oz Aug'22 SS)

Impact

Utilising the above assumptions we generate:

- NPV12 post tax of ~A\$346m (6.1cps diluted for all options) at a gold price of A\$3,400/oz, (our new Valuation).
- NPV12 post tax of ~A\$660m (11.8cps dil.) spot gold of A\$4,000/oz

What is it worth to Greatland Gold? When you reduce the capex to ~A\$100m (as this would likely be the capital required if Greatland Gold were to acquire the project and truck the ore 35km to Telfer) we get NPV12 post tax value of ~A\$885m (@ A\$4,000/oz) or 15.7cps.

Action

We speculate that Greatland Gold could bid ~40% of the NPV12 post tax value of Minyari Gold project at spot gold of A\$4,000/oz, which would equate to 6.3cps (A\$354m).

We move our Price Target from 3.2cps to 6.3cps (A\$354m) and Maintain our Speculative Buy recommendation.

We set our Valuation at a slightly more conservative 6.1cps (A\$346m), which equates to our post tax NPV12 value for the standalone build at a gold price of A\$3,400/oz.

The elephant in the room: What is the Minyari Gold - Copper project worth to Greatland Gold? Remember that the Minyari Dome Gold project is located just 35Km from the Telfer, which easily has +3mtpa of spare milling capacity. **Telfer, for the first time in decades, has a company who is incentivised to grow and improve the asset in Greatland Gold.**

We believe Greatland is highly likely to consolidate the region. Worth noting that Geatland Gold intends to list on the ASX by June 2025, which we speculate would be the most logical time to acquire AZY. Greatland Gold will also own 8.6% of AZY post Telfer deal completion.

Key risks for AZY include: Gold price, exploration, permitting, financing and M&A.

Catalysts

- Scoping Study imminent
- Exploration results, 70 hole, 11,000m program.
- Potential M&A

Analyst

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MARKET STATS

Share Price	\$0.033	A\$/sh
Price Target	\$0.063	A\$/sh
Valuation	\$0.061	A\$/sh

Share on Issue	4,776	m
Options	854	m
Total Dil.	5,631	m

Market Cap. (dil)	\$176	m
Enterprise Value	\$153	m
Debt	\$0	m
Cash (Pro forma)	\$23	m

Directors

Mark Rodda	E Cha
Roger Mason	MD
Stephen Power	NED
Peter Buck	NED
Gary Johnson	NED
Luke Watson	CFO

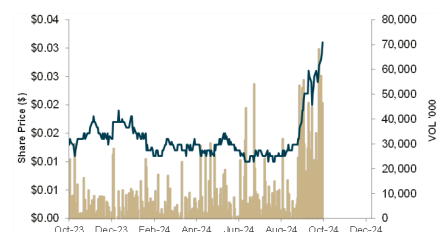
Major Shareholders

GGP.LSE	8.6%
Lion Selection Group	4.3%

Company details

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West Perth WA 6005
+61 8 9481 1103

Performance



Source: IRESS

Analysis

AZY is well funded with pro forma A\$23m in cash and previously announced binding A\$17m cash sale of its Citadel JV ground to RIO, which is its entire 32% non-controlling interest in the JV. AZY does not expect any tax liabilities, completion expected in November. Key risks include general exploration and obtaining ongoing financing and potential M&A. Worth noting that Geatland Gold intends to list on the ASX by June 2025, which we speculate would be the most logical time to acquire AZY.

- Attributing no value for Wilki NEM JV (soon to be Greatland gold) and AZY's remaining Paterson exploration ground (IGO farm in).

Greatland even flagged "Further potential accretive regional opportunities to be considered by the Enlarged Group, for example joint ventures and toll processing arrangements." We believe that with the new owners in Greatland gold Telfer now has a owner for the first time in decades is incentivised to invest and grow the asset.

Figure 1: We believe Greatland Gold is highly likely to consolidate the region.



Greatland Gold plc (AIM: GGP)
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NEWS RELEASE | 10 September 2024

Transformational Acquisition of Havieron and Telfer

**Underwritten US\$325 million Placing and Proposed Retail Offer
of up to ~US\$9 million**

Publication of AIM Admission Document and Notice of General Meeting

Greatland Gold plc (AIM:GGP) (**Greatland** or the **Company**) and certain of its wholly owned subsidiaries have entered into a binding agreement with certain Newmont Corporation subsidiaries (**Newmont**) to acquire, subject to certain conditions being satisfied, a 70% ownership interest in the Havieron gold-copper project (**Havieron**) (consolidating Greatland's ownership of Havieron to 100%), 100% ownership of the Telfer gold-copper mine (**Telfer**), and other related interests in assets in the Paterson region (together, the **Target Assets**) (the **Acquisition**).

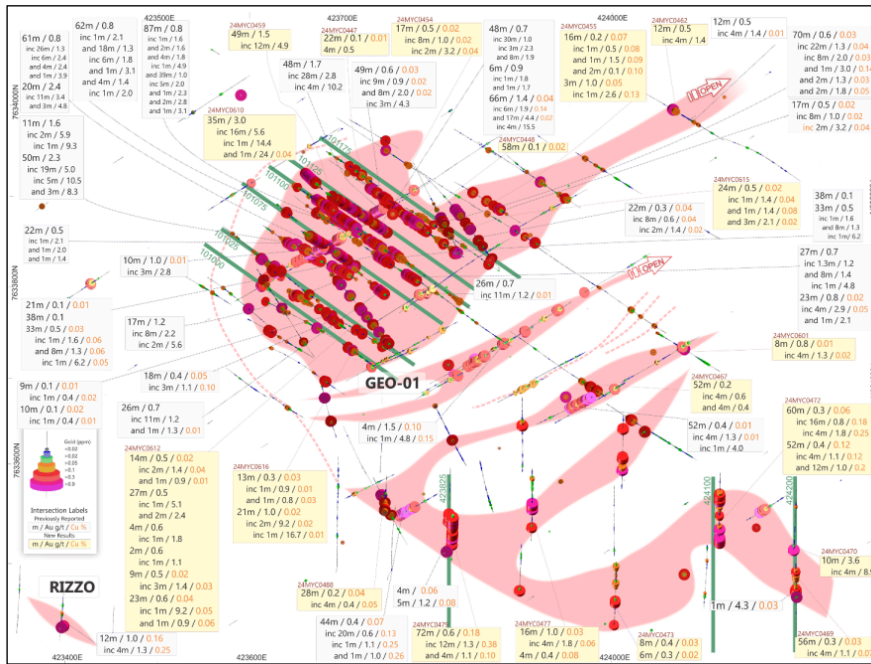
The Company has agreed to acquire the Target Assets for total consideration and debt repayment of up to US\$475 million (before adjustments), comprising:

- US\$207.5 million cash, including US\$155.1 million Acquisition consideration (subject to certain adjustments) and a US\$52.4 million repayment of the outstanding Havieron joint venture loan;
- US\$167.5 million in the form of 2,669,182,291 new Greatland shares to be issued to Newmont at the Issue Price (as defined below); and
- up to US\$100 million in deferred cash consideration.

Completion of the Acquisition is subject to the satisfaction of certain conditions precedent described in the "Further Information" section at the end of this announcement. Completion of the Acquisition is targeted to occur during Q4 2024.

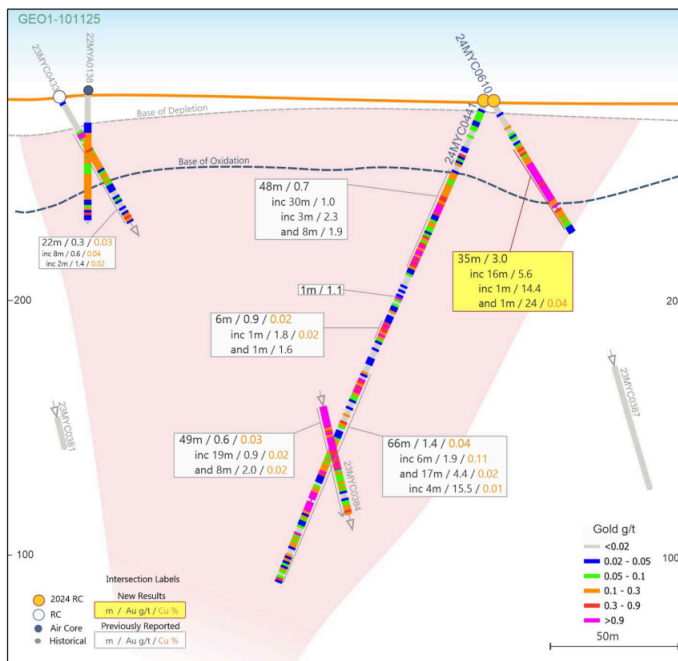
Source: GGPLSE

Figure 2: GEO-01 plan view



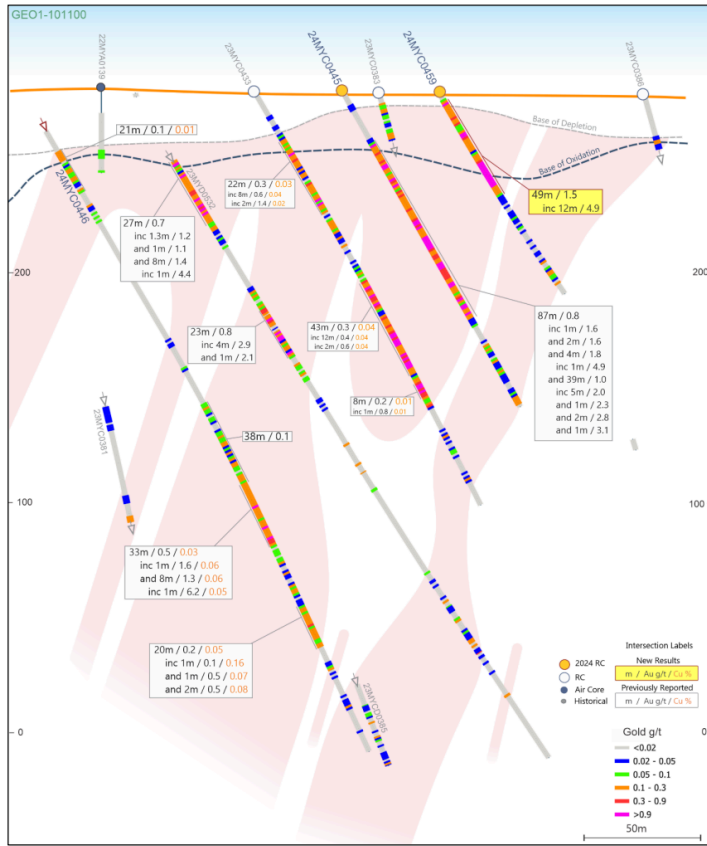
Source: AZY

Figure 3: GEO-01 deposit NW-SE cross-section



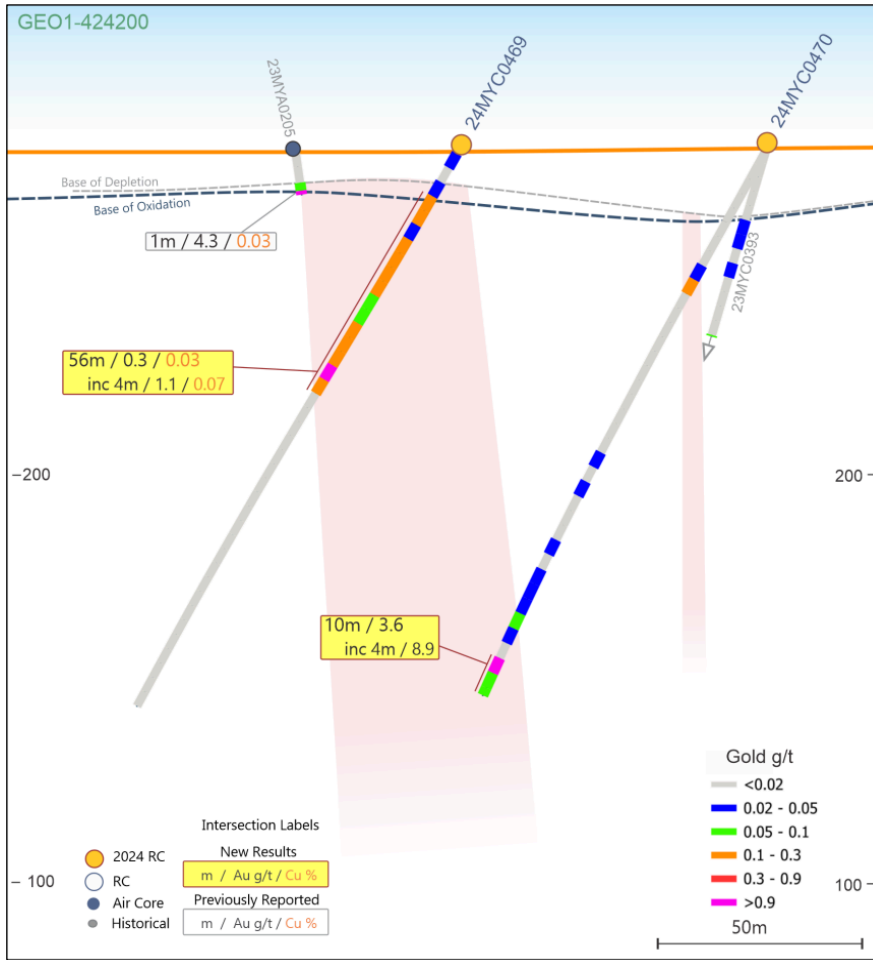
Source: AZY

Figure 4: GEO-01 deposit NW-SE cross-section



Source: AZY

Figure 5: GEO-01 deposit NW-SE cross-section



Source: AZY

Company disclosures

The companies and securities mentioned in this report, include:

Antipa Minerals Limited (AZY.ASX)*;

Price, target price and rating as at 17 October 2024 (not covered)*

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