

# Antipa Minerals (AZY)

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

15 April 2024

## CY2024 Drilling starts at Minyari Dome

### 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)	3.5
ASX 200 Weight (%)	0%

### Fundamentals

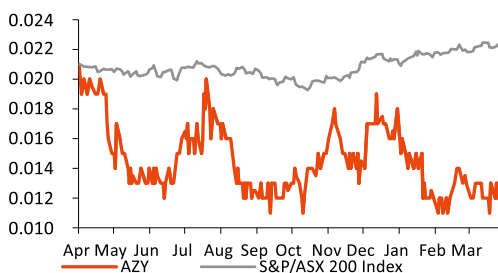
YE 20 Jun (AUD)	FY23A	FY24E	FY25E	FY26E
Sales (\$m)	0.2	0.0	0.0	0.0
NPAT (\$m)	(3.2)	(7.9)	(8.2)	(8.3)
EPS (cps)	(0.1)	(0.2)	(0.2)	(0.2)
EPS Growth (%)	49.0%	nm	(1.7%)	0.7%
DPS (cps) (AUD)	0.0	0.0	0.0	0.0
Franking (%)	0%	0%	0%	100%

### 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 (%)	(9.2%)	(2.4%)	(37.2%)	(48.7%)
Absolute (%)	(7.7%)	0.0%	(33.3%)	(42.9%)
Benchmark (%)	1.5%	2.4%	3.9%	5.8%



Price performance indexed to 100

Source: FactSet

### Major Shareholders

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

### Dorab Postmaster | Analyst

+61 8 9263 5211

[Dorab.Postmaster@shawandpartners.com.au](mailto:Dorab.Postmaster@shawandpartners.com.au)

### Andrew Hines | Head of Research

+61 3 9268 1178

[andrew.hines@shawandpartners.com.au](mailto:andrew.hines@shawandpartners.com.au)

### Peter Kormendy | Senior Research Analyst

+61 3 9268 1099

[Peter.Kormendy@shawandpartners.com.au](mailto:Peter.Kormendy@shawandpartners.com.au)

### Event

Antipa Minerals has announced the commencement of CY2024 Phase 1 drilling at its Minyari Dome Gold-Copper Project.

### Highlights

- Antipa were an early mover into the Paterson region in WA and have attracted majors such as Rio Tinto and IGO via joint venture and farm-ins into their tenure and have a potential standalone development opportunity in the 100%-owned Minyari Dome Project.
- Drill rigs mobilised and drilling is underway at the Minyari Dome Project.
- The Phase 1 CY2024 exploration drilling programme has been designed to enable a maiden Mineral Resource Estimate (MRE) at the GEO-01 discovery (1.3km south of Minyari) and to target new gold copper discoveries within multiple target areas.
- Mineralisation at GEO-01 remains open, presenting the potential for a substantial shallow maiden resource opportunity.
- In the Phase 1 programme, 20 RC holes for 3,410m are planned at GEO-01, including infill/definition drilling (required for MRE) plus extensional drilling 300m along strike and 150m across strike of the main zone of observed mineralisation.
- 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.
- The Pacman targets are located about 30km east of the Minyari deposit. Three Pacman targets have been identified to date (PM1, PM2 & PM3)
- The three Pacman targets are planned to be drill tested with three diamond core drill holes (one at each target) for a total of approximately 3,150m in the CY2024 Phase 1 programme.
- In Addition to GEO-01 and Pacman, three other greenfield targets will be tested:
  - Rizzo – Located approximately 370m southwest GEO-01. Previous drilling returned 12m at 1.0g/t gold and 0.12% copper from 8m.
  - T12 – Located 10km northwest of Minyari. Broad spaced air core drilling in CY2023 intersected gold mineralisation.
  - GP01 – Located 800m from Minyari. Previous drilling produced an intersection of 27m at 1.3g/t gold and 0.11% copper from 131m.
- 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 results in more aggressive development timeframes.
- Phase 1 exploration programme is fully funded, with some drilling activities partially supported by two Western Australian Exploration Incentive Scheme funding grants totalling A\$440,000.
- Antipa finished the Dec-23 quarter with A\$6.2M and no debt.
- We look forward to a raft of assays across multiple land packages to be released this quarter.

### Recommendation

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

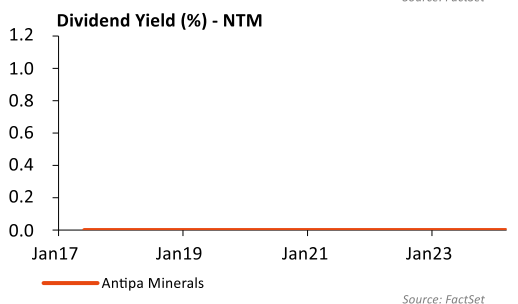
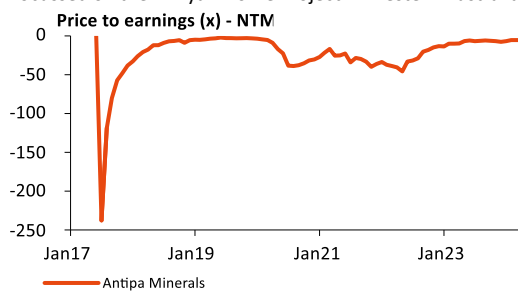
**Antipa Minerals  
Materials  
Materials**

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

<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

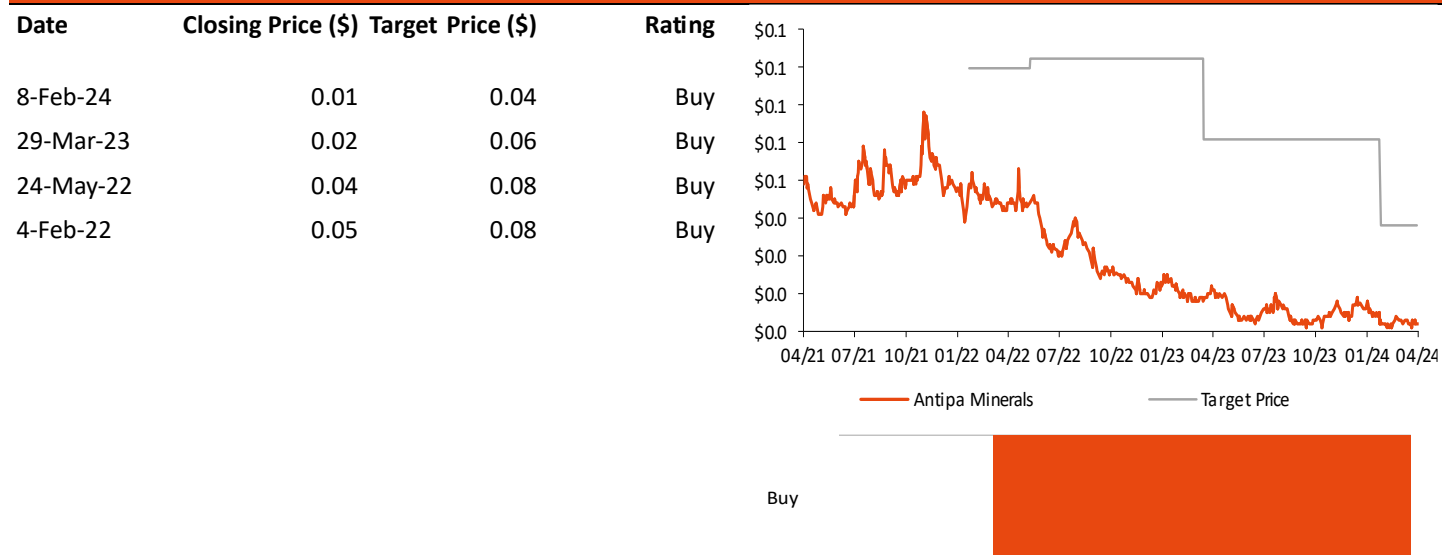
<b>High</b>	Higher risk than the overall market – investors should be aware this stock may be speculative
<b>Medium</b>	Risk broadly in line with the overall market
<b>Low</b>	Lower risk than the overall market

**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	64	90%
Hold	6	8%
Sell	1	1%

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



## Disclaimer

Shaw and Partners Limited ABN 24 003 221 583 (“Shaw”) is a Participant of ASX Limited, Cboe Australia Pty Limited and holder of Australian Financial Services Licence number 236048.

**ANALYST CERTIFICATION:** The Research Analyst who prepared this report hereby certifies that the views expressed in this document accurately reflect the analyst's personal views about the Company and its financial products. Neither Shaw nor its Research Analysts received any direct financial or non-financial benefits from the company for the production of this document. However, Shaw Research Analysts may receive assistance from the company in preparing their research which can include attending site visits and/or meetings hosted by the company. In some instances the costs of such site visits or meetings may be met in part or in whole by the company if Shaw considers it is reasonable given the specific circumstances relating to the site visit or meeting. As at the date of this report, the Research Analyst does not hold, either directly or through a controlled entity, securities in the Company that is the subject of this report, or where they do hold securities those interests are not material. Shaw restricts Research Analysts from trading in securities outside of the ASX/S&P100 for which they write research. Other Shaw employees may hold interests in the company, but none of those interests are material.

**DISCLAIMER:** This report is published by Shaw to its clients by way of general, as opposed to personal, advice. This means it has been prepared for multiple distribution without consideration of your investment objectives, financial situation and needs (“Personal Circumstances”). Accordingly, the advice given is not a recommendation that a particular course of action is suitable for you and the advice is therefore not to be acted on as investment advice. You must assess whether or not the advice is appropriate for your Personal Circumstances before making any investment decisions. You can either make this assessment yourself, or if you require a personal recommendation, you can seek the assistance of your Shaw client adviser. This report is provided to you on the condition that it not be copied, either in whole or in part, distributed to or disclosed to any other person. If you are not the intended recipient, you should destroy the report and advise Shaw that you have done so. This report is published by Shaw in good faith based on the facts known to it at the time of its preparation and does not purport to contain all relevant information with respect to the financial products to which it relates. The research report is current as at the date of publication until it is replaced, updated or withdrawn. Although the report is based on information obtained from sources believed to be reliable, Shaw does not make any representation or warranty that it is accurate, complete or up to date and Shaw accepts no obligation to correct or update the information or opinions in it. If you rely on this report, you do so at your own risk. Any projections are indicative estimates only and may not be realised in the future. Such projections are contingent on matters outside the control of Shaw (including but not limited to market volatility, economic conditions and company-specific fundamentals) and therefore may not be realised in the future. Past performance is not a reliable indicator of future performance. Except to the extent that liability under any law cannot be excluded, Shaw disclaims liability for all loss or damage arising as a result of any opinion, advice, recommendation, representation or information expressly or impliedly published in or in relation to this report notwithstanding any error or omission including negligence.

Depending on the timing and size of your investment, your portfolio composition may differ to the model. Performance figures are derived from the inception date of the model and its investment transactions from that date, therefore the performance for your portfolio may be different. If you have any questions in connection with differences between your portfolio and the model, you should speak with your adviser.

**IMPORTANT INFORMATION TO CONSIDER:** It is important that before making a decision to invest in a Shaw Managed Accounts, a managed fund, an exchange traded fund, an individual hybrid security or listed debt instrument that you read the relevant Product Disclosure Statement (“PDS”). The PDS will contain information relevant to the specific product, including the returns, features, benefits and risks. The PDS can be found at: [www.shawandpartners.com.au/media/1348/shawmanagedaccounts\\_pds.pdf](http://www.shawandpartners.com.au/media/1348/shawmanagedaccounts_pds.pdf).

**RISKS ASSOCIATED WITH HYBRID SECURITIES:** Hybrid securities and listed debt instruments differ from investments in equities and cash products in a number of important respects. The liquidity risk associated with an investment in hybrid securities and listed debt instruments will generally be greater than that associated with equities. The credit risk associated with hybrid securities and listed debt instruments is higher than that of a cash product or term deposit. Some hybrid securities may be perpetual in nature, meaning that they can only be redeemed or exchanged for cash or equity at the issuer's option. Hybrids may also contain terms which automatically trigger the deferral of an interest payment or cause the issuer to repay the hybrid earlier or later than anticipated. ASIC has published information to assist consumers in understanding the risks and benefits associated with an investment in hybrid securities or listed debt instruments. This information can be found under the heading ‘Complex Investments’ at [www.moneysmart.gov.au/investing](http://www.moneysmart.gov.au/investing).

**DISCLOSURE:** Shaw will charge commission in relation to client transactions in financial products and Shaw client advisers will receive a share of that commission. Shaw, its authorised representatives, its associates and their respective officers and employees may have earned previously or may in the future earn fees and commission from dealing in the Company's financial products. Shaw acted as Sole/Joint Lead Manager and Underwriter in the September 2023 Capital Raising of Antipa Minerals securities for which it received fees or will receive fees for acting in this capacity. Accordingly, Shaw may have a conflict of interest which investors should consider before making an investment decision.

Sydney   Head Office	Melbourne	Brisbane	Adelaide	Canberra	Perth	Noosa
Level 7, Chifley Tower	Level 36	Level 28	Level 25	Level 9	Level 20	Suite 11a Q Place
2 Chifley Square	120 Collins Street	111 Eagle Street	91 King William Street	5 Constitution Avenue	108 St Georges Terrace	2 Quamby Place
Sydney NSW 2000	Melbourne VIC 3000	Brisbane QLD 4000	Adelaide SA 5000	Canberra ACT 2601	Perth WA 6000	Noosa Heads QLD 4567
Telephone: +61 2 9238 1238	Telephone: +61 3 9268 1000	Telephone: +61 7 3036 2500	Telephone: +61 8 7109 6000	Telephone: +61 2 6113 5300	Telephone: +61 8 9263 5200	Telephone: +61 7 3036 2570
Toll Free: 1800 636 625	Toll Free: 1800 150 009	Toll Free: 1800 463 972	Toll Free: 1800 636 625	Toll Free: 1800 636 625	Toll Free: 1800 198 003	Toll Free: 1800 271 201