TOP 5 ASX STOCKS TO WATCH FOR FY25

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1) CHRYSOS CORPORATION LIMITED

17-JUL-2024

Chrysos Corporation Limited, headquartered in Australia, specializes in developing and supplying advanced mining technology.

Sector	Industrials
Risk	Medium to High
Market Cap($)	632.35 M
Shares Outstanding	114.97 M
Beta	0.79
52 Week Range($)	4.61 - 8.72
Target Price($)	6.86 - 7.63
Stop Loss($)	5.15

Stock Performance Profile:

(Source: Trading View) One-Year Performance of C79 compared with ASX-All Ordinary Index (XAO) and Industrial Index (XNJ)

Historical Performance:

*All Values in AUD Millions	31-12-2021	30-06-2022	31-12-2022	30-06-2023	31-12-2023
Selected Income Statement Items					
Revenue from Business Activities - Total	5.57	8.62	12.22	16.18	19.84
Gross Profit - Industrials/Property - Total	5.57	8.62	12.22	16.18	19.84
Operating Profit before Non-Recurring Income/Expense	-1.28	0.54	-1.33	0	-2.15
Earnings before Interest, Taxes, Depreciation & Amortization (EBITDA)	0.09	2.01	1.32	3.78	3.14
Income before Discontinued Operations & Extraordinary Items	-1.60	-2.33	-1.00	1.44	-3.11
Selected Balance Sheet Items					
Cash & Cash Equivalents	33.39	92.10	81.09	53.36	84.71
Total Assets	78.12	144.1	153.2	163.4	224.5
Debt - Total	6.75	5.48	5.33	9.53	3.02
Common Equity - Total	60.69	122.3	122.0	124.2	193.9
Selected Cash Flow Items					
Net Cash Flow from Operating Activities	-1.41	2.92	3.80	0.86	0.56
Capital Expenditures - Net - Cash Flow	11.53	15.55	14.90	32.36	32.84
Financial Strength / Leverage					
Total Debt Percentage of Total Assets	8.6%	3.8%	3.5%	5.8%	1.4%
Total Debt Percentage of Total Capital	10.0%	4.3%	4.2%	7.1%	1.5%
Total Debt Percentage of Total Equity	11.1%	4.5%	4.4%	7.7%	1.6%
Liquidity					
Current Ratio	3.77	8.18	4.82	2.74	4.52
Working Capital to Total Assets	0.50	0.64	0.49	0.27	0.37
Operating					
Accounts Receivable Turnover, TTM			1.63	3.23	3.84
Average Receivables Collection Days, TTM			224.5	113.4	95.40
Average Net Trade Cycle Days, TTM			224.5	113.4	95.40

(Source: Refinitiv, Thomson Reuters)

Chrysos Corporation Ltd has shown a significant growth trajectory in its revenue from business activities, which increased from AUD 5.57 million on 31 December 2021 to AUD 19.84 million by 31 December 2023, representing a growth of approximately 256%. Despite this strong revenue growth, the company's operating profit has been inconsistent. The operating profit fluctuated, with a notable loss of AUD -1.28 million on 31 December 2021, a small gain of AUD 0.54 million on 31 December 2022, a loss of AUD -1.33 million on 31 December 2022, breaking even on 30 June 2023, and then a loss of AUD -2.15 million on 31 December 2023. This inconsistency is also reflected in the EBITDA, which, despite being positive in most periods, shows volatility with values ranging from AUD 0.09 million to AUD 3.78 million.

Risk Analysis:

The company remains exposed to significant risks due to the market volatility inherent in the mining industry. Additionally, regulatory challenges present prominent risks that could potentially disrupt operations.

Outlook:

The company is steadily advancing its growth strategy, expanding its global footprint. Currently, it operates PhotonAssay on four continents, and it is further establishing its presence in key global mining hubs. The company also maintains a strong focus on product innovation, planning to significantly enhance the utility of PhotonAssay. This includes expanding the range of detectable elements from gold, silver, and copper to include at least ten additional elements such as zinc, lead, and uranium. This development, expected to be completed in the short term, showcases strong commercial promise, significantly expanding Chrysos's market opportunity and applicability across various sectors within the mining industry. The company's efforts to extend its range of solutions, including concurrent moisture and solution analysis, highlight another aspect of its product development strategy.

Technical Analysis:

(Chart source: TradingView) Daily and Weekly Candlestick Price Chart Pattern)

Veye’s Take:

The company continues to deliver consistent sales and commercial expansion of PhotonAssay while maintaining a positive market outlook that supports its strong financial growth trajectory. Although recent earnings have been inconsistent, the company’s efforts to deliver revenue growth through both geographic and product expansion underscore its potential to achieve consistent profitability. The company’s steadily growing asset base, improving financial position, and declining debt levels further demonstrate its track record in enhancing shareholder value. Additionally, the strong value proposition of its existing product offerings continues to drive customer adoption in the mining industry while its potential expansion into other industries showcases potential for future scalability. **Veye recommends a “Buy” on “Chrysos Corporation Limited” at the closing price of $6.00 (As of 17 July 2024).**

***All Data has been sourced from Company announcements and Refinitiv, Thomson Reuters.**

2) BOTANIX PHARMACEUTICALS LIMITED

10-JUL-2024

Botanix Pharmaceuticals Limited, based in Australia, specializes in dermatology, focusing on developing and commercializing treatments for various skin diseases and infections.

Sector	Healthcare
Risk	Low to Medium
Market Cap($)	579.21 M
Shares Outstanding	1.81 B
Beta	2.72
52 Week Range($)	0.115 - 0.4
Target Price($)	0.615 -0.805
Stop Loss($)	0.25

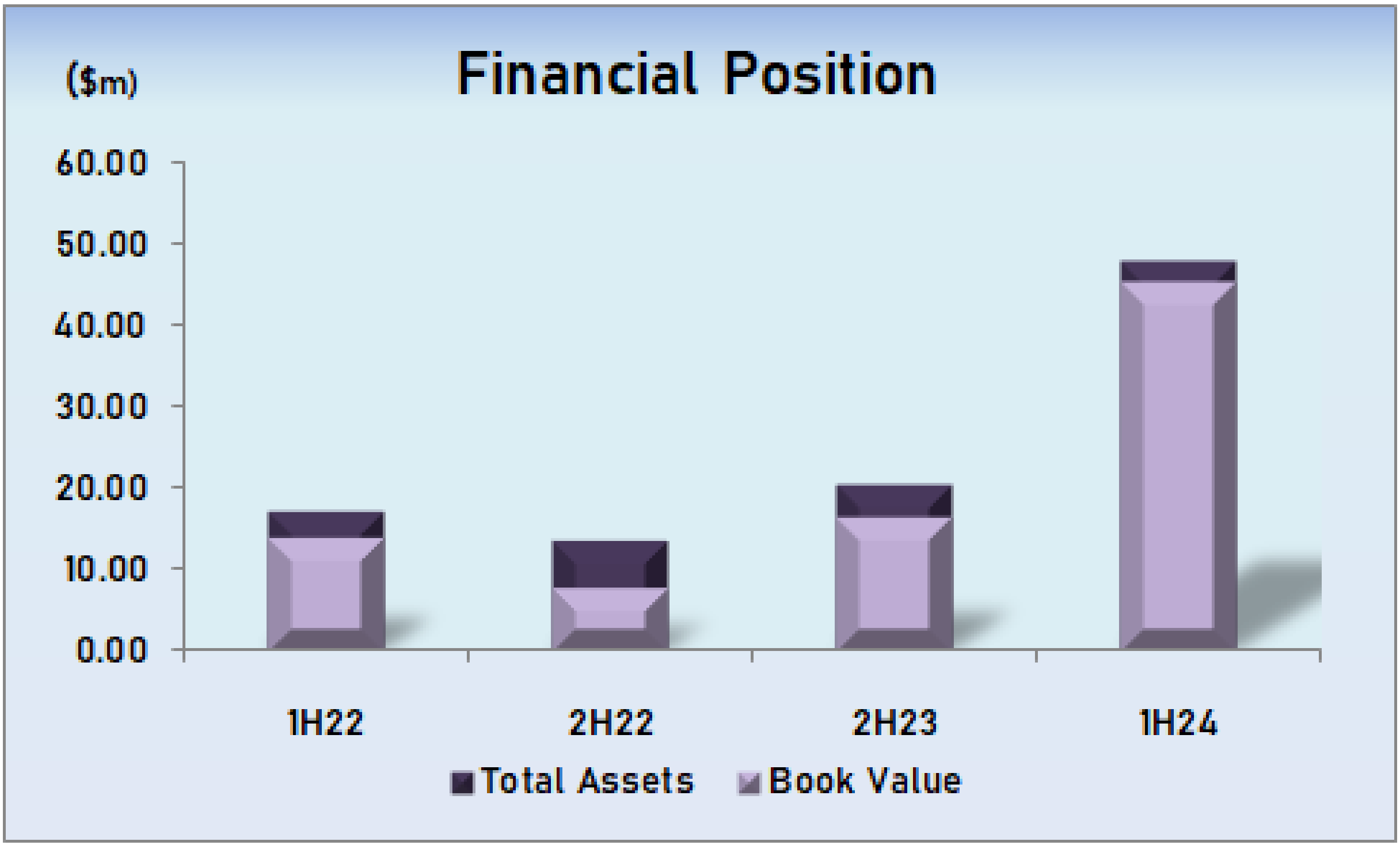
Stock Performance Profile:

(Source: Trading View) One-Year Performance of BOT compared with ASX-All Ordinary Index (XAO) and HealthCare Index (XHJ)

From the Company Reports:

Botanix has successfully raised $70 million through an institutional placement at A$0.30 per share. The funds will support the launch of Sofdra™ for treating excessive underarm sweating, with sales expected to begin in Q4 2024 following FDA approval. The placement attracted significant interest from Australian and international institutional investors, securing Botanix's financial position for upcoming growth initiatives.

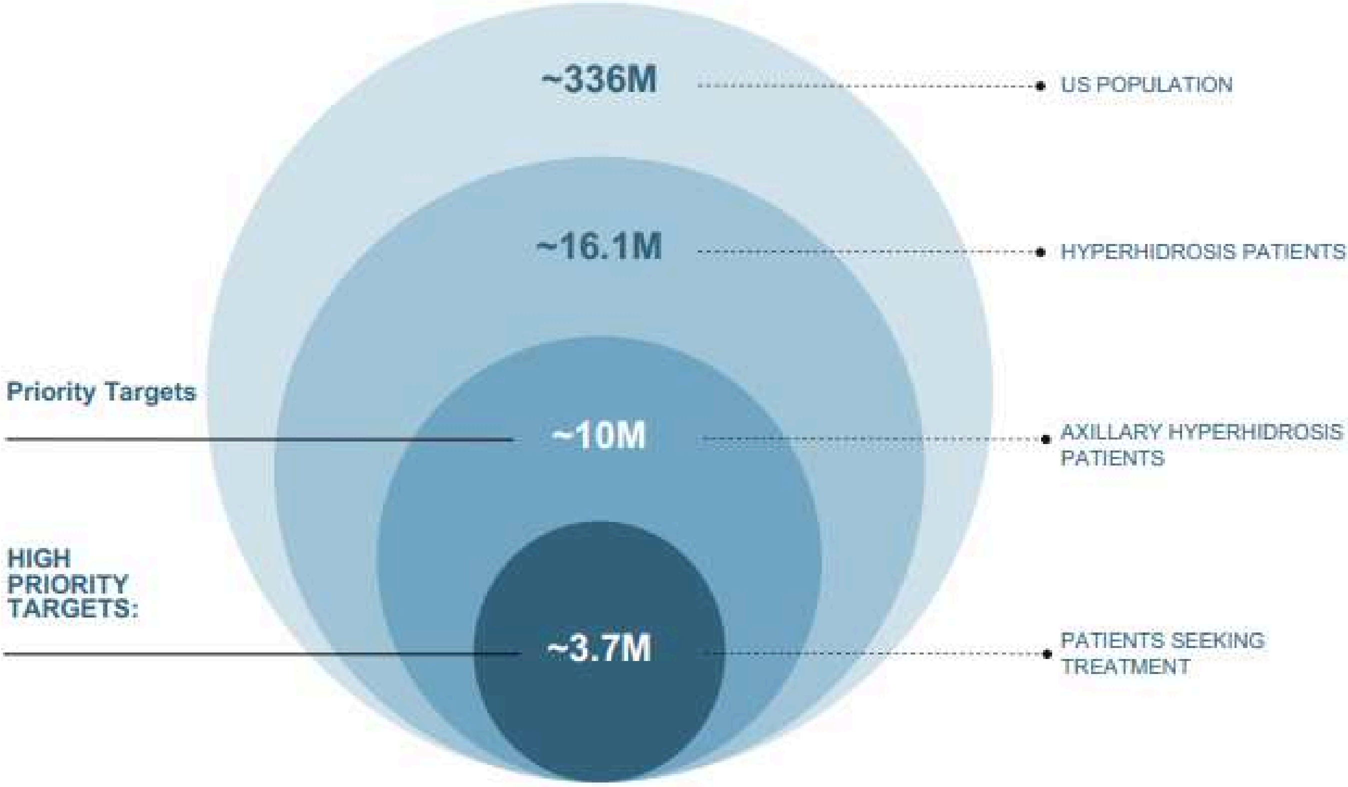
Financial Snapshot (1H22-1H24):



(Data Source: Refinitiv, Thomson Reuters. Graphic Source: Veye)

The company has recently achieved a significant expansion of its balance sheet and book value through the expansion of additional fixed assets. Its liquidity has also markedly improved, evidenced by an increase in the current ratio from 3.08x at the end of 2H FY23 to 9.5x by the end of 1H FY24. Additionally, the company's cash position remained robust at $17.32 million as of 31 March 2024.

Outlook:



(Graphic Source: Company Reports)

The company continues to make significant strides in its commercialization strategy. After recently receiving FDA approval for its primary treatment candidate for hyperhidrosis, Sofdra, and establishing manufacturing supplies and processes, the company is advancing its sales activities for the product. Initially, the company will target a small proportion of the overall market, focusing on high-priority patients who actively seek treatment and visit dermatologists. Following this, the company will expand its focus to include other priority patients who can be treated from home. The long-term scalability potential within this market remains substantial. To capitalize on this, the company will allocate marketing and PR efforts to increase doctors' reach for prescribing Sofdra to their patients, while also strengthening its market position among the overall population suffering from hyperhidrosis. Additionally, the company's efforts to expand into treatment of other underserved common skin diseases are poised to be significant in the long term, complementing its primary product.

Technical Analysis:

(Chart Source: Trading View) Technical Chart- Monthly and Weekly Candlestick Price Chart

Veye's Take:

Botanix demonstrates strong market-disruptive potential for hyperhidrosis, an unmet clinical need with limited available treatment options. The company's clinical trials have shown significant improvements with Sofdra, delivering promising positive results for patients. The case study of Ecclock by Kaken, a hyperhidrosis treatment, in Japan is also encouraging. Despite Japan's smaller population compared to the US, 350,000 units of Ecclock were sold last year alone, offering optimism for the commercial launch of Sofdra. Botanix's strong financial position and funding capabilities further enhance confidence in its ability to achieve sales growth through robust marketing efforts. Additionally, the company's R&D efforts support product expansion and development in the promising skin disease market. **Veye recommends a "Buy" on "Botanix Pharmaceuticals Limited" at the closing price of $0.325 (As of 10 July 2024).**

***All Data has been sourced from Company announcements and Refinitiv, Thomson Reuters.**

3) LYCAON RESOURCES LIMITED

15-JUL-2024

Lycaon Resources Limited is an Australia-based mineral exploration company. The Company's Bow River and Salt Lick Project is located within the Halls Creek Orogen in the East Kimberley region of Western Australia.

Sector	Basic Materials
Risk	Medium to High
Market Cap ($)	16.16 M
Shares Outstanding	52.98 M
Beta	-0.35
52 Week Range($)	0.145 - 0.455
Target Price($)	0.480 - 0.545
Stop Loss($)	0.25

Stock Performance Profile:

(Source: Trading view) One-Year Performance of LYN compared with ASX- All Ordinary Index (XAO) and Basic Materials Index (XMJ)

From the Company Reports:

Lycaon Resources Limited (ASX: LYN) announced its quarterly results for the period ending on 30 June 2024, on 9 July 2024.

During the quarter, the company was a recipient of the government co-funded drilling program, receiving a maximum of $180,000 to drill the Stansmore Project. Furthermore, the Company obtained a mining entry permit from the Minister for Aboriginal Affairs for parts of the Ngaanyatjarra Central Australia Reserve related to E80/5723, E80/5867, and E80/5868 at the Stansmore Project, allowing access to the Reserve for exploration activities.

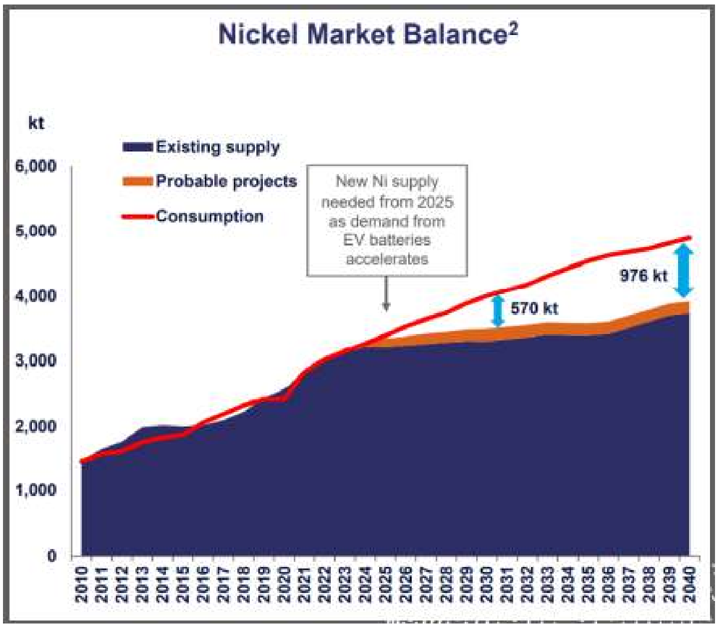
In the same quarter, the Company succeeded in a ballot for exploration license application E45/6809 (Myrnas Hill) in the Pilbara region of Western Australia. This tenement encompasses the historical copper-gold prospect, Myrnas Hill, which has shown results of up to 42.8% Cu, 7.05% Cu, and 6.49g/t Au in rock chip samples.

Additionally, the Company evaluated the upcoming phase of exploration work programs to be carried out. A diamond drilling program was previously executed at the Bow River Project in the East Kimberley region of Western Australia during Q3 of 2023. This program involved two diamond drillholes reaching depths of 800m and 786m each, both intersecting visual Ni-Cu sulphides.

Moreover, the Company finalized a placement to raise a total of $2.5 million by issuing 8,928,572 new fully paid ordinary shares (Placement Shares) to professional and sophisticated investors at an issue price of $0.28 per Placement Share.

As of 30 June 2024, Lycaon maintained a cash position of $4.65 million.

Outlook:



(Graphic Source: Company Reports)

The company is expected to make significant exploratory progress in 2024. Heritage surveys are slated to commence in July 2024, with the aim of launching a drilling program at the West Arunta Project by the third quarter of 2024. Additionally, the company continues to conduct key studies at its Bow River Prospect, performing surveys and assessing assay results to delineate further drilling and exploration plans with greater efficiency and confidence.

Furthermore, Lycaon plans to carry out a detailed geological review at Myrnas Hill to evaluate exploration work programs for the project upon tenement grant. These exploration activities are anticipated to provide a promising long-term commercial outlook, particularly given the company's exploration efforts in sectors such as nickel. The nickel industry notably presents a compelling long-term sales platform due to the significant projected deficit driven by demand from the EV sector, which is expected to account for nearly 35% of total nickel demand by the end of the decade.

Technical Analysis:

LYN's price action on both monthly and weekly charts indicates a strong bullish sentiment. The monthly chart reveals a significant base formation at $0.220, with clear upside potential indicated by rejections at lower levels. On the weekly timeframe, LYN is trading above both the 14-day and 50-day Exponential Moving Averages (EMA), signaling bullish momentum. Further supporting the bullish outlook, the stock has surpassed the first resistance level at $0.340, suggesting potential for continued upward movement. Combined with positive indicators pointing upwards, LYN appears well-positioned for further gains in the near term.

(Chart source: TradingView) Monthly and Weekly Candlestick Price Chart Pattern)

Veye's Take:

Lycaon's commitment to efficient exploration efforts is highly encouraging for shareholder value growth. Potential short-term growth catalysts, such as the expansion of the company's exploration pipeline and advancements in drilling programs, highlight the scope for significant progress throughout the year, capable of bolstering investor confidence. The company's diverse project pipeline offers various commercialization opportunities. While some projects show promise in emerging sectors such as lithium and niobium, others reflect a strategic approach toward established sectors such as gold, copper, and nickel. This diversification supports resilient future revenue streams and offers a range of opportunities for financial capitalization. Furthermore, the prospects for significant mineral resource discoveries in the coming years present an early yet promising investment opportunity while Lycaon's secure financial position and prudent financial management stand to mitigate monetary risks for the stakeholders. **Veye recommends a "Buy" on "Lycaon Resources Limited" at the closing price of $0.33 (As of 12 July 2024).**

***All Data has been sourced from Company announcements and Refinitiv, Thomson Reuters.**

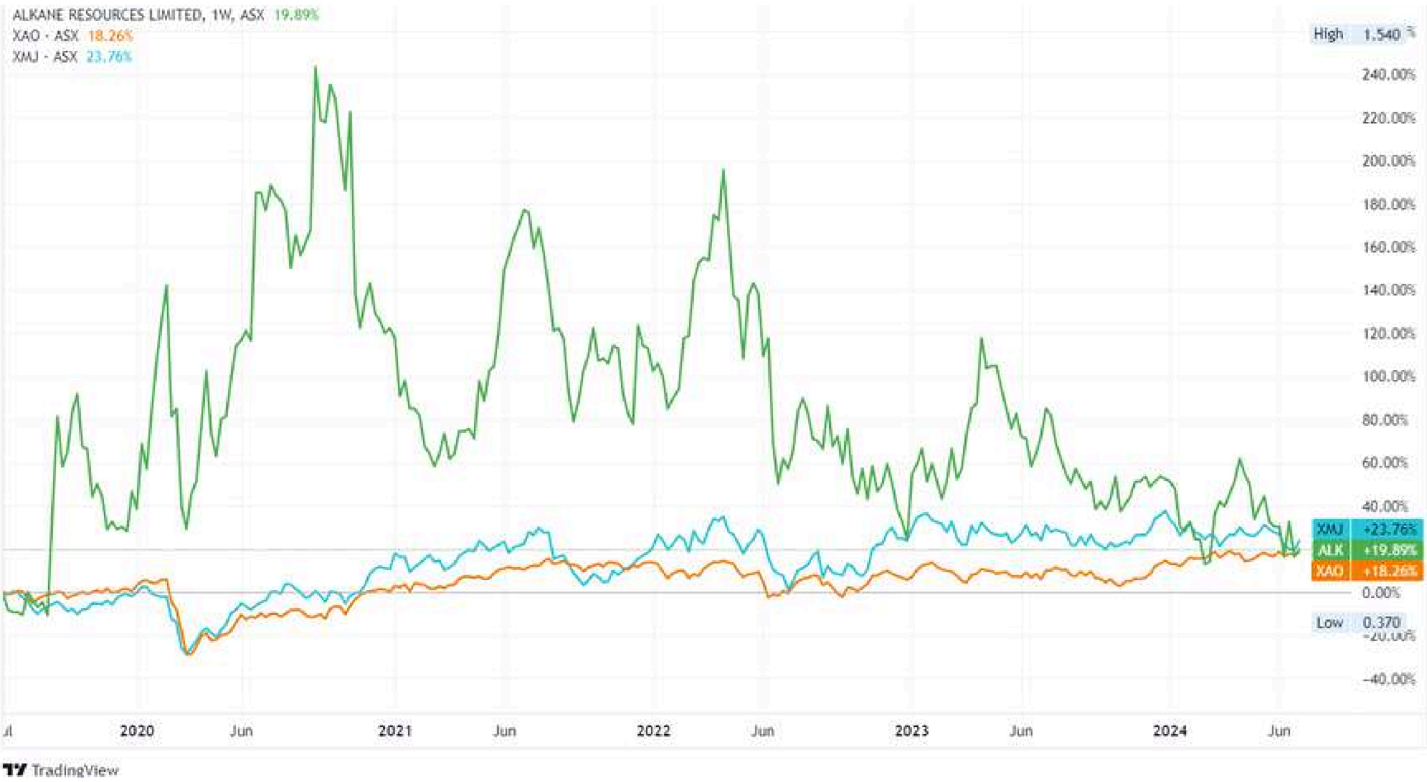
4) ALKANE RESOURCES LIMITED

05-JUL-2024

Alkane Resources Limited, an Australian company, specializes in gold exploration, development, and production. Their primary projects are situated in central western New South Wales

Sector	Basic Materials
Risk	Medium to High
Market Cap ($)	295.71 M
Shares Outstanding	603.49 M
Beta	1.32
PE Ratio	9.9
EPS($)	0.049
52 Week Range($)	0.46 - 0.825
Target Price($)	0.765 - 0.875
Stop Loss($)	0.385

Stock Performance Profile:



(Source: Trading View) ALK Five-year performance compared with ASX-All Ordinary Index (XAO) and Basic Materials Index (XMJ)

From the Company Reports:

Alkane Resources Limited (ASX: ALK) continues to deliver significant financial performance and growth from its current operational base, particularly its gold operations at Tomingley. The company shows potential for significant expansion over the coming years, supported by robust long-term scalability prospects through an extensive mineral resource base.

Business Catalyst:

TOMINGLEY GOLD EXTENSION PROJECT MINERAL RESOURCES (as at 21 February 2024)

DEPOSIT	MEASURED		INDICATED		INFERRED		TOTAL		Total Gold
	Tonnage (Kt)	Grade (g/t Au)	Tonnage (Kt)	Grade (g/t Au)	Tonnage (Kt)	Grade (g/t Au)	Tonnage (Kt)	Grade (g/t Au)	(Koz)
Total Resources (cut off 0.4g/t Au Roswell and 0.5g/t Au San Antonio)									
Roswell			3900	1.7	0.0	0.0	3900	1.7	213
San Antonio			5,930	1.82	1,389	1.32	7,319	1.73	406
Sub Total	**0**	**0.0**	**9,830**	**1.77**	**1,389**	**1.32**	**11,219**	**1.72**	**619**
Underground Resources (cut off 1.3g/t Au)									
McLeans			0	0.0	870	2.5	870	2.5	70
Roswell			3260	2.9	2290	2.5	5550	2.7	489
Sub Total			**3,260**	**2.88**	**3,160**	**2.53**	**6,420**	**2.71**	**560**
TOTAL			**13,090**	**2.05**	**4,549**	**1.68**	**17,639**	**1.95**	**1,179**

(Graphic Source: Company Reports)

Alkane boasts a strong operating base with robust production capabilities, exemplified by its extensive mineral resource base at the Tomingley Gold Extension Project. The project holds 1.17 million ounces of contained gold, with a significant portion classified in the Indicated Category, providing strong assurance of production growth for the company and supporting its expansion plans. The operational 1 million tonnes per annum (Mtpa) processing plant at the project, along with ongoing exploration plans at Roswell, continue to enhance resource upgrades and bolster the company's production expansion initiatives. This project underscores Alkane's highly promising scalability prospects for its commercial plans over the long term, further enhancing its position in the gold mining sector.

Outlook:

<table>
<tr><th>Financial Years</th><th>FY24</th><th>FY25</th><th>FY26</th><th>FY27-FY29</th></tr>
<tr><td>Production Range (ozAu)</td><td>55,000 – 58,000</td><td>70,000 – 80,000</td><td>85,000 – 95,000</td><td>100,000 – 110,000</td></tr>
<tr><td>Ore Source:
- Underground
- Open Cut</td><td>100%
0%</td><td>100%
0%</td><td>100%
0%</td><td>60%
40%</td></tr>
<tr><td>Head Grade g/t Au</td><td>2.0</td><td>2.3</td><td>2.5</td><td>2.4</td></tr>
<tr><td rowspan="2">Expected AISC A$/ozAu</td><td rowspan="2">2,150 – 2,350</td><td>2,400 – 2,600</td><td>1,800 – 2,000</td><td>1,900 – 2,100</td></tr>
<tr><td colspan="3">1,900 – 2,100</td></tr>
</table>

Tomingley Estimated Production and AISC

(Graphic Source: Company Reports)

The company maintains a promising five-year expansion plan for its Tomingley operations. This plan includes complementing the Roswell underground resource operations by incorporating open cut operations at San Antonio, and expanding its processing plant to a capacity of 1.5 million tonnes per annum (Mtpa) by 2025. Initially, in FY25, Alkane projects modest yet significant increases in production rates; however, costs are also expected to be higher during FY25, as highlighted in the chart above. The operations will continue to focus on underground activities until FY26, before seeing a significant contribution from open cut operations from FY27 onwards. This shift is expected to reduce overall operating costs while delivering substantial production growth for the company. Furthermore, the company's exploration efforts remain significant, with key drilling programs and results anticipated in the calendar year 2024 across multiple deposits. These efforts aim to extend the mine life and resources of its projects, enhancing long-term growth and sustainability.

Technical Analysis:

(Chart source: TradingView) Daily and Monthly Candlestick Price Chart Pattern)

Veye's Take:

Alkane, already maintaining a strong operational base in gold with consistent and significant year-on-year growth, delivers attractive financial output and shareholder value. This is evidenced by metrics such as a P/B ratio of 0.93x, an EV/EBITDA ratio of 3.99x, a P/CF ratio of 5.04x, and a P/E ratio of 11.17x, showcasing strong signs of an undervalued investment proposition. The company's growth and expansion prospects over the short term and the next five years remain highly promising for capital growth. However, the long-term scalability potential of Alkane is most promising, backed by an extensive mineral resource base. Its pursuit of strategic partnerships is likely to enable it to capitalize on these resources more swiftly. Overall, Alkane's sound financial position, backed by strong cash balances, liquidity, and minimal debt, further reinforces its growth capabilities and mitigates monetary risks. **Veye recommends a "Buy" on "Alkane Resources Limited" at the closing price of $0.51 (As of 5 July 2024).**

***All Data has been sourced from Company announcements and Refinitiv, Thomson Reuters.**

5) WOODSIDE ENERGY GROUP LIMITED

16-JUL-2024

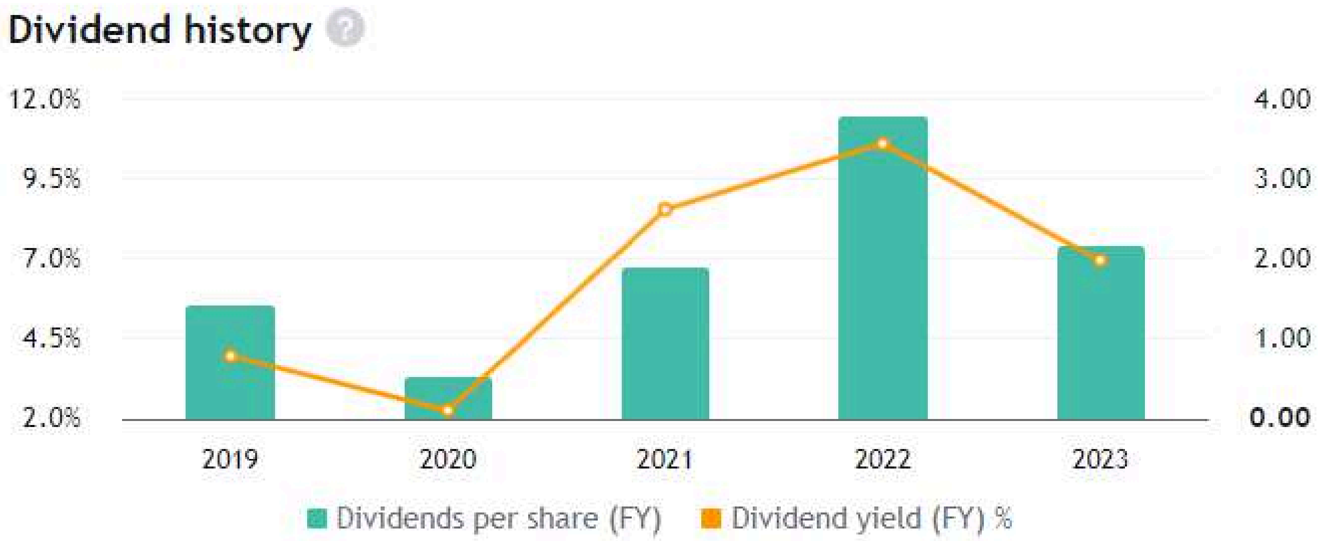
Woodside Energy Group Limited, headquartered in Australia, operates as a global energy company with three main segments.

Sector	Energy
Risk	Low to Medium
Market Cap($)	54.94 B
Shares Outstanding	1.9 B
Beta	1.11
EPS ($)(TTM)	1.285
PE	22.5
Dividend Yield (%)	7.46%
52 Week Range($)	26.88 - 39.03
Target Price($)	33.71 - 36.06
Stop Loss($)	24.16

Stock Performance Profile:

(Source: Trading View) Three-Month Performance of WDS compared with ASX-All Ordinary index (XAO) and Energy Index (XEJ)

Dividend History:



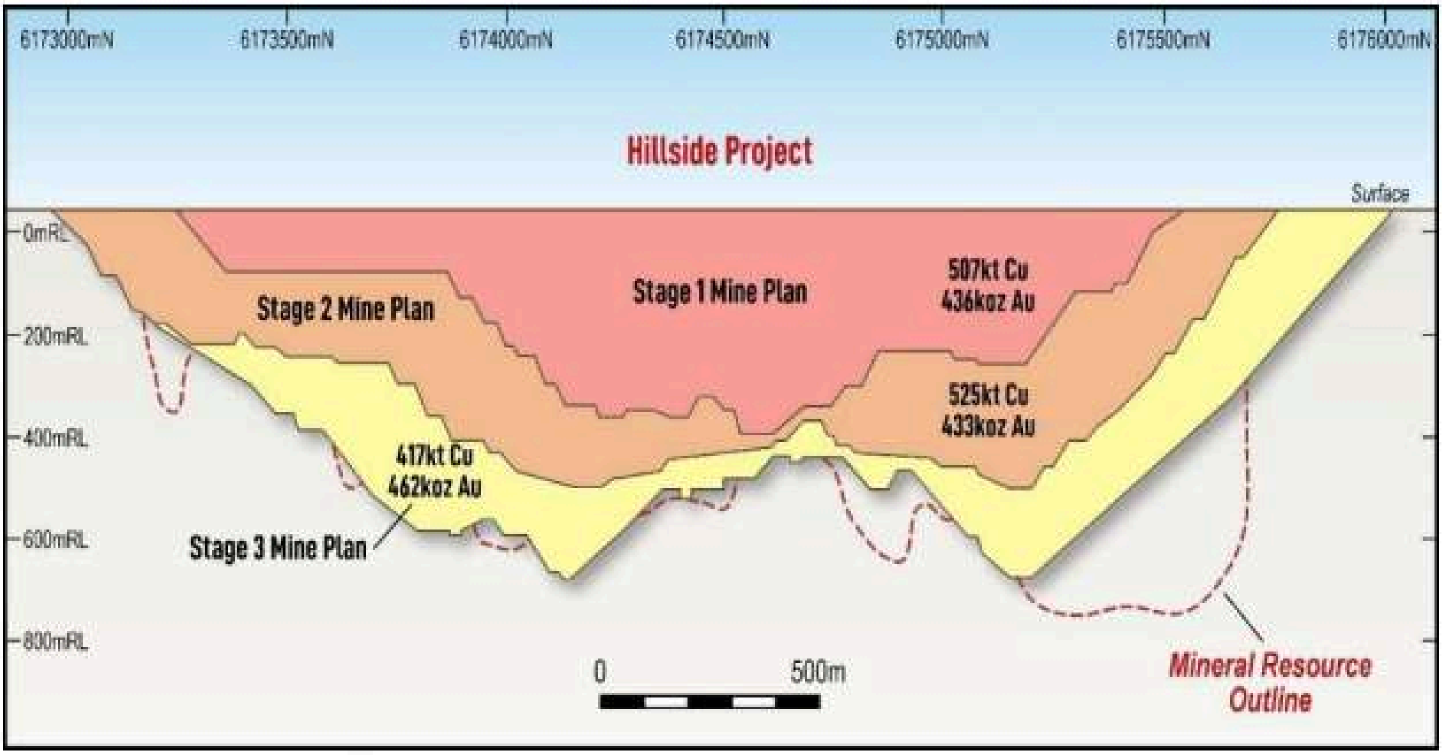
(Source: Trading View)

The company has continued its tradition of maintaining a consistent dividend policy. In fiscal year 2023, it declared a final dividend of US 60 cents per share (cps), which contributed to a total full-year dividend of US 140 cps. The total value of the full-year dividend amounted to $2,658 million.

Risk Analysis:

Woodside Energy faces significant operational and strategic risks in its global operations. These include challenges in executing major projects across multiple locations, reliance on third-party suppliers, and evolving societal expectations around ethical practices and environmental impact. Climate change regulations also pose a substantial risk, given Woodside's reliance on hydrocarbon products. Moreover, the company must navigate market volatility and commodity price fluctuations, requiring robust forecasting and adaptive strategies to maintain competitiveness. Effective capital management and mitigation of foreign exchange and interest rate risks are critical to sustaining Woodside's financial resilience amid dynamic economic conditions.

Outlook:



(Graphic Source: Company Reports)

The company maintains a robust and prioritized focus on advancing its Hillside Project, which is slated for development across multiple stages over an extended timeframe. The forthcoming Stage 1 of the company's commercialization plans signifies a significant scale of operations. Across the three planned stages, the project is anticipated to boast a lengthy mine life exceeding 40 years, with Stage 1 alone projected to span 11 years. Presently, the company remains focused on the equity partnership and financing process for the project, pivotal steps towards advancing into the construction and commercialization phase. Additionally, the Hog Ranch Project exhibits promising prospects for significant exploration, continually expanding its presence in the region. This, coupled with ongoing exploration endeavours, consistently bolsters the company's resource portfolio. Hog Ranch not only boasts promising gold resources but also demonstrates considerable potential for lithium, presenting Rex with a diversified commercial opportunity.

Outlook:

Woodside continues to advance its notable expansion plans, with key projects making significant progress. The Sangomar Field Development Phase 1 is already complete, with the first oil already poured, supporting significant production growth in the short term. Simultaneously, the Scarborough and Pluto Train 2 project is 62% completed and targeted for the first LNG cargo by 2026. The Trion project also shows significant advancements, with the first oil targeted for 2028. These developments highlight significant and consistent long-term scalability in production rates for the company. Additionally, Woodside is allocating significant efforts towards exploration activity and the discovery of newer projects in its pipeline, ensuring sustained growth and expansion.

Veye’s Take:

Woodside maintains a dominant market position with projects and operations in traditional energy sources such as oil and gas, while also incorporating newer energy sources into its portfolio. This strategic shift allows the company to align with global clean and renewable energy demands aimed at reducing carbon emissions. Although the company's earnings and revenues declined in 2023 compared to 2022, they still remain robust and have grown significantly over a five-year period. Valuation metrics, including a P/B ratio of 1.09x, an EV/EBITDA ratio of 4.54x, a P/CF ratio of 5.71x, and a dividend yield of 7.36%, underscore Woodside as a potentially undervalued investment proposition with substantial potential for active income generation for investors. Additionally, the company's promising and diversified capital allocation framework, with projected double-digit IRRs across its expansion portfolio, highlights compelling prospects for future returns and scalability. **Veye recommends a “Buy” on “Woodside Energy Group Limited” at the closing price of $29.37 (As of 15 July 2024).**

***All Data has been sourced from Company announcements and Refinitiv, Thomson Reuters.**

Disclaimer: