# Genmin Limited

## Annual Report
For the year ended 31 December 2020

GENMIN LIMITED
Outram Centre
Suite 7, 1297 Hay Street
WEST PERTH WA 6005
PO Box 1256
WEST PERTH WA 6872
ACN 141 425 292

## Group Directory

### Directors

| | |
|---|---|
| Mr Michael Norman Arnett | Non-Executive Chairman |
| Mr Giuseppe Vince Ariti | Managing Director & CEO |
| Mr Brian van Rooyen | Non-Executive Director |
| Mr Salvatore Pietro Amico | Non-Executive Director |
| Mr John Russell Hodder | Non-Executive Director |

### Company Secretary

Mr Patrick McCole

### Registered Office and Principal Place of Business

Suite 7, Outram Centre
1297 Hay Street
West Perth WA 6005
Tel: +61 8 9200 5812

### Libreville, Gabon Office

Ancienne Sobraga,
BP 23877,Libreville
Gabon

### Auditor

Bentleys Audit and Corporate (WA) Pty Ltd
London House Level 3,
216 St Georges Terrace
Perth WA 6000
Tel: +61 8 9226 4500
Fax: +61 8 9226 4300

### Solicitors

Herbert Smith Freehills
QV1 Building, 250 St Georges Terrace
Perth WA 6000
Tel: +61 8 9211 7777
Fax: +61 8 9211 7878

### Share Registry

Computershare Investor Services Pty Limited
Level 11, 172 St George's Terrace
Perth WA 6000

**ASX Code:** GEN

**ACN 141 425 292**

### Website

genmingroup.com

## General Information

These financial statements are the consolidated financial statements for the Group consisting of Genmin Limited and its subsidiaries. A list of subsidiaries is included in Note 3. Genmin Limited is a company limited by shares, incorporated and domiciled in Australia.

The financial statements are presented in the US dollar currency. The financial statements were authorised for issue by the Directors on 30 March 2021. The Directors have the power to amend and reissue the financial statements.

GENMIN

## Contents

## Chairman’s Letter

Dear Fellow Shareholders,

On behalf of the Board of Genmin Limited (“Genmin”), I am pleased to present our first annual report since completing an initial public offering (“IPO”) and capital raising of AUD 30 million, and transitioning to a listed company on the ASX on 10 March 2021.

The IPO and listing has enabled Genmin to be fully funded for the next phase of its development, debt free and to have enhanced the diversity of skill sets on the Board.

Genmin is an iron ore exploration and development company focused in the Republic of Gabon in central West Africa. Gabon is a stable country with a mining and oil production history dating back to the early 1960s and is currently the world’s second largest producer of Manganese ore and eighth largest crude oil producer in Africa.

Genmin has six (6) exploration licences in Gabon covering three (3) projects being Baniaka (feasibility stage), Bakoumba (advanced exploration stage) and Minvoul/Bitam (early exploration stage).

The Company’s objective is to create shareholder value by becoming an iron ore producer through developing Baniaka and advancing its pipeline of other projects.

The strong current iron ore price with a robust long term outlook and China’s move towards Chinese controlled, and African-sourced iron ore, positions the Company well for its project development through feasibility, mine development and then ultimately into production.

In closing, Genmin has made remarkable progress maturing into a public listed company, and we thank firstly our management and staff for their dedicated work over the past 7 years in achieving that goal and secondly, we thank existing and new shareholders for their support and look forward to updating you on our progress as we seek to move from exploration into the mine development phase.

Yours sincerely,

**Michael Arnett**
Non-Executive Chairman

GENMIN

## REVIEW OF OPERATIONS

### *INTRODUCTION*

Genmin Limited ("Genmin" or the "Company") holds six (6) exploration licences ("Licence" or "Licences") in the Republic of Gabon, covering approximately 5,540km$^2$. The Licences form three (3) projects ("Gabon Projects") being:

Baniaka (feasibility stage);

Bakoumba (advanced exploration stage); and

Minvoul/Bitam (early exploration stage).

Relevant interest and landholding are summarised in Table 1 and are shown in Figures 1 and 2.

**Table 1: Gabon Projects and Licences**

| Project | Licence Name | Licence Number | Genmin Interest (%) | Area (km2) | Date Granted | End Date Article 102[1] | End Date Licence[1] | Endorsement |
|---|---|---|---|---|---|---|---|---|
| Baniaka | Baniaka | G2-537 | 100 | 774 | 26-Sep-12 | 25-Sep-21[2] | 01-Aug-22 | Fe |
| | Baniaka West | G2-572 | 100 | 107 | 12-May-14 | 11-May-23 | 17-Dec-23 | Fe |
| Bakoumba | Bakoumba | G2-511 | 100 | 1,029 | 26-Jan-12 | 25-Jan-21[3] | 24-Apr-21[3] | Fe |
| | Mafoungui | G7-535 | 100 | 807[4] | 31-Dec-12 | 30-Dec-18[4] | 21-Feb-19[4] | Fe[4] |
| Minvoul/Bitam | Minvoul | G9-512 | 100 | 1,362 | 21-Jun-12 | 20-Jun-21[5] | 20-Jun-21[5] | Fe |
| | Bitam | G9-590 | 100 | 1,463 | 4-Apr-16 | 3-Apr-19 | 17-Dec-23 | Fe, Cu, Au |
| | | | **Total** | **5,542** | | | | |

Notes:

[1] : Ministerial Orders which grant or renew a Licence carry a provision that it is valid for three (3) years from the date of the Order. Article 102 of the 2019 Mining Code sets out a Licence is valid for three (3) years, renewable twice more for three (3) years. The Company considers the three (3) year terms are consecutive, with the Licence end date occurring nine (9) years after the date granted. Where significant time elapses for the approval of a renewal, a divergence occurs between the end date set out in the Licence and the 2019 Mining Code.

[2] : An extension to the third period of Baniaka is planned to be applied for in accordance with Article 111 of the 2019 Mining Code. Extensions are permissible where a mineral substance has been discovered to provide the time necessary to continue technical, economic and commercial assessments.

[3] : An application for the extension of the third term of Bakoumba was lodged on 21 October 2020 in accordance with Article 111 of the 2019 Mining Code.

[4] : An application for the second renewal of Mafoungui was lodged on 5 September 2018 and the endorsement was changed to include gold, silver, nickel, copper, chromium and platinum group elements, and the renewal area was reduced to 535km$^2$. The renewal is pending.

[5] : An application for the extension of the third term of Minvoul was lodged on 19 March 2021 in accordance with Article 111 of the 2019 Mining Code.

The Baniaka Project ("Baniaka") comprises the Baniaka and Baniaka West Licences covering a total area of 881km$^2$. The Bakoumba Project ("Bakoumba") comprises the Bakoumba and Mafoungui Licences covering an area of 1,836 km$^2$.

Baniaka and Bakoumba are hosted in the Archean Chaillu Massif in southeast Gabon (Figures 1 and 2). The Chaillu Massif extends to the south into the Republic of Congo and hosts the Mayoko and Zanaga iron ore deposits.

The Minvoul/Bitam Project ("Minvoul/Bitam") comprises the Minvoul and Bitam Licences covering an area of 2,825 km$^2$. Minvoul/Bitam is hosted in the Archean North Gabon Massif in north Gabon (Figure 1). The North Gabon Massif extends to the north into Cameroon and the Republic of Congo and hosts several significant iron ore deposits.

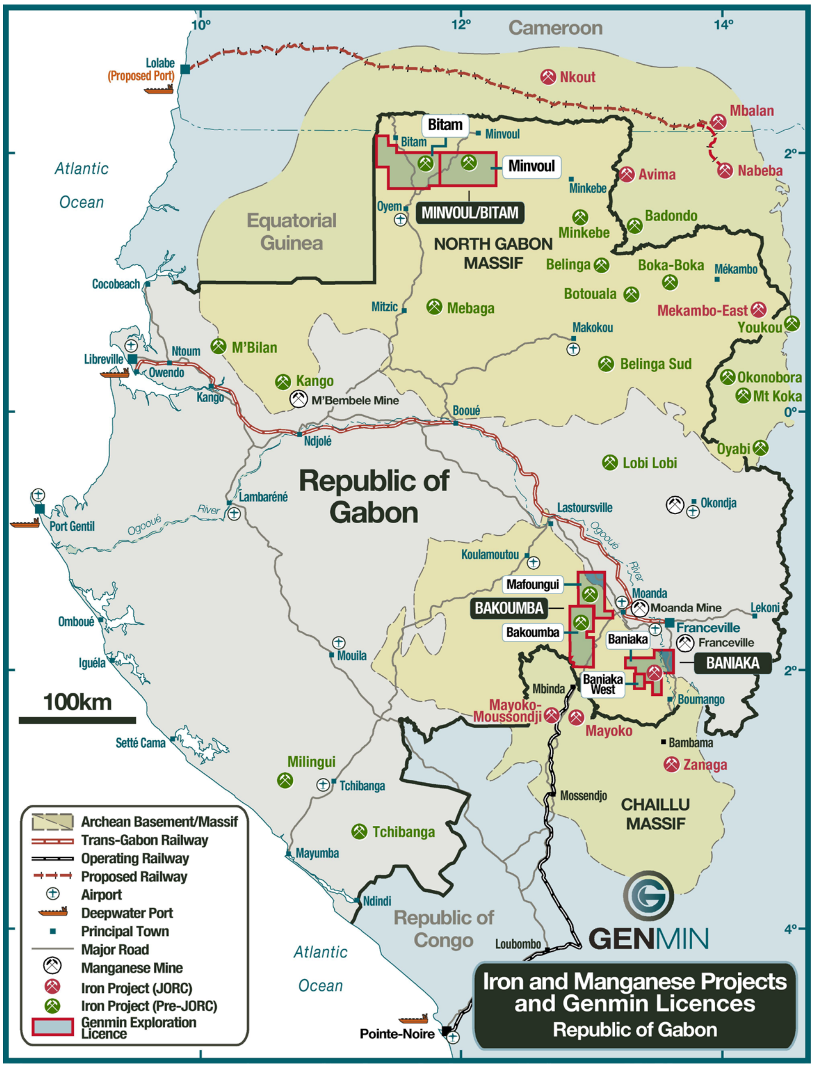


**Figure 1: Location of Gabon Projects and Licences, with other iron and manganese projects shown**

Genmin's primary focus is in the Haut-Ogooué province in southeast Gabon, which has an established mining industry since the 1960's, with operating manganese mines located in Moanda and Franceville (Figure 2). Moanda and Franceville have established business, financial and communications infrastructure supporting mining operators such as Comilog, Nouvelle Gabon Mining and Areva (now Orano).

The region has established and operating mining infrastructure, which includes the Trans-Gabon Railway connecting Franceville to an operating bulk mineral port terminal located at Port Owendo near the capital city of Libreville. The Trans-Gabon Railway and export terminal have planning in place for upgrade programs to increase the annual transport capacity.

Baniaka and Bakoumba are also proximal to the 200 MW Grand Poubara Hydro Power Plant ("Grand Poubara") located approximately 30km from Baniaka. Grand Poubara is a renewable power source with spare capacity.

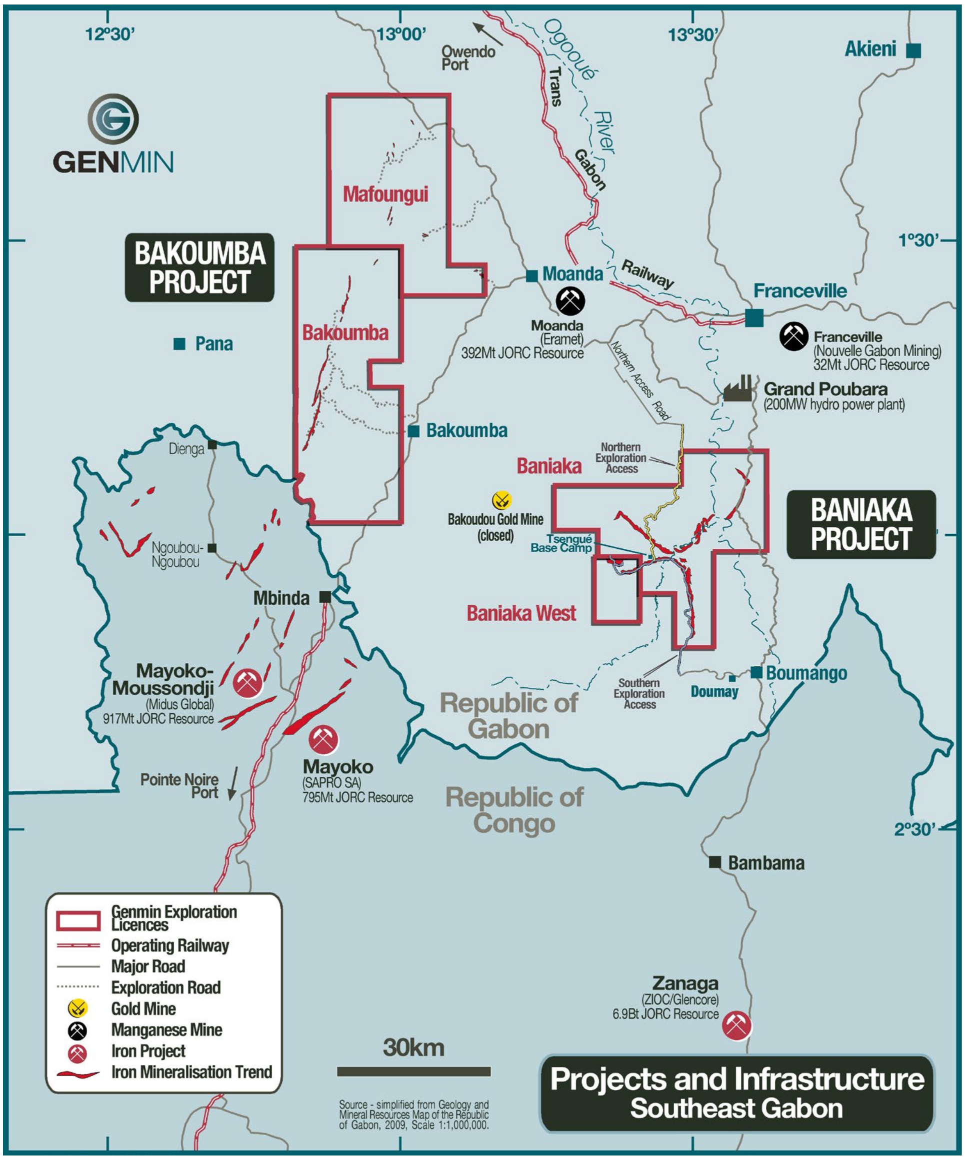


**Figure 2: Mineral Deposits, Infrastructure and Gabon Projects in southeast Gabon**

***BANIAKA PROJECT***

**Overview**

Genmin's most advanced project is Baniaka and exploration since 2013 has defined a total strike length of 85km of iron mineralisation, which has been subdivided into a series of 17 prospects (Figure 3).

The iron mineralisation comprises a surficial blanket of unconsolidated detrital iron deposits ("DID") underlain by oxidised Banded Iron Formations ("BIF") ascribed to the Archaean Belinga Group and termed Oxide. The DID mineralisation is from 1 to 16m thick. The Oxide extends to depths of 20 to 70m below surface. The Oxide is underlain by fresh magnetite BIF ("Primary"). The DID and Oxide are enriched in iron compared to the Primary with in-situ grades from 40-50% Fe and 40-45% Fe respectively, and 35% Fe for the Primary. The main focus of Genmin's exploration programs has been testing the DID and Oxide iron mineralisation.

Exploration completed by Genmin at Baniaka since 2013 includes:

- a 760 line-km ground magnetic survey over prospective areas defined by existing airborne magnetic surveys;
- regional and prospect geological mapping and sampling to confirm the occurrence, location and structure of BIF;
- 315 vertical linear-m of test-pitting (93 pits), 503 horizontal linear-metres of trenching (22 trenches), 13,800m of shallow Auger (1,143 holes) and 10,500m of diamond resource definition and exploration drilling (111 holes);
- collection, export and metallurgical testing of 163 bulk samples of DID, Oxide and Primary material with a total sample mass of approximately 9.2t; and
- a heliborne, high resolution aerial photography and laser imaging, detection and ranging ("LiDAR") topography survey over the mineralised and adjoining areas.

Auger and diamond drilling conducted to date has tested approximately 29km (35%) and 14km (17%) respectively of the defined 85km BIF strike length and forms the basis for the Mineral Resource estimates.

The Inferred and Indicated Mineral Resources for Baniaka total 257.9Mt of iron ore at 40.1% Fe reported in accordance with the JORC Code 2012 Edition (details in Mineral Resource Statement). This positions Baniaka as one of the major mineral deposits in Gabon.

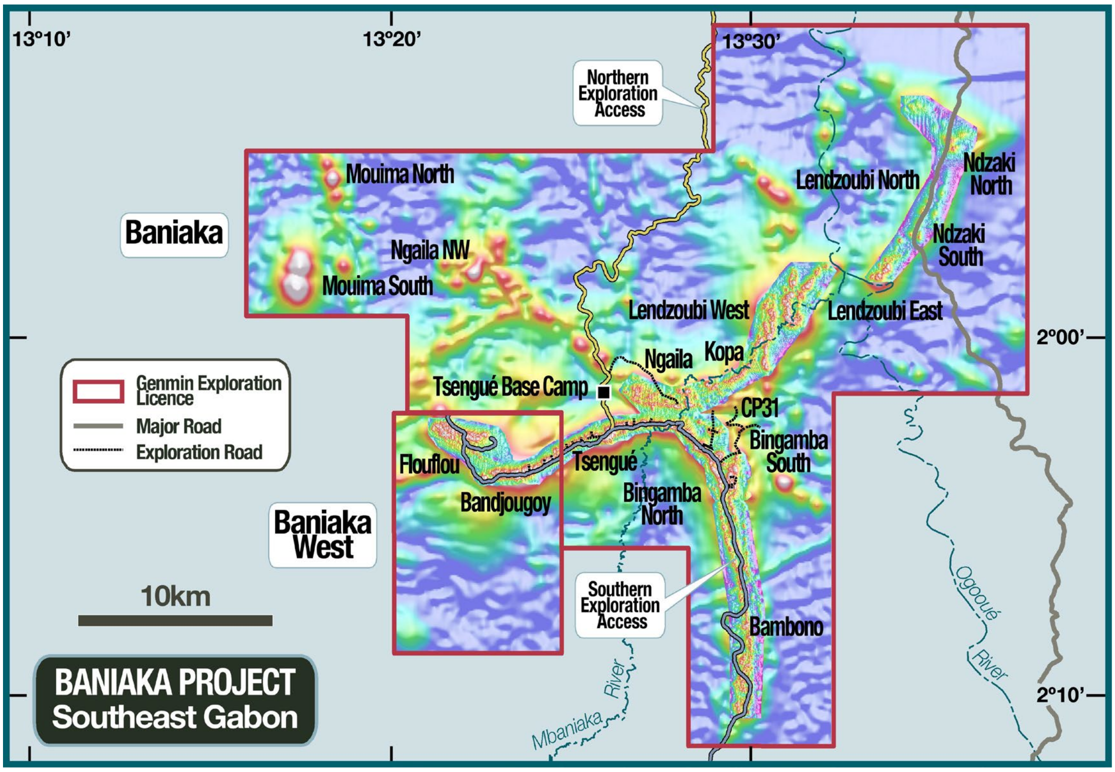


**Figure 3: Prospect Location Map – Baniaka**

During the reporting period, the Company implemented health protection measures to minimise the risks of COVID-19 transmission, whilst maintaining a team at its permanent exploration camp at Baniaka. International and domestic commercial flights resumed in July 2020 in Gabon and normal expat staff rotations had resumed in the last quarter of 2020.

The Company completed a bulk sampling program in November-December 2020 for pilot plant metallurgical testwork of DID and Oxide mineralisation contained within the Mineral Resource envelope. The pilot scale metallurgical testwork will be undertaken by an independent specialist mineral processing and engineering firm based in South Africa. The aim of the pilot plant metallurgical testwork is to develop engineering level process design criteria, confirm product yields and grade/quality and provide large (>300kg) product samples for value-in-use testwork.

The bulk sampling program collected approximately 21 tonnes of DID and Oxide for 13 samples. The samples were collected from Bandjougoy, Bingamba North, Tsengué and Flouflou prospects. They targeted the average Mineral Resource iron grade and quality of each prospect with additional samples representing lower and higher iron content (variability samples).

GENMIN

**Figure 4: Senior mining/ geology Direction Générale des Mines et de la Géologie ("DGMG") representative in November 2020 (left) and the Visit by the Provincial Direction of the DGMG in December 2020 (right)**

In the reporting period, the Company also advanced the design and planning of the field programs intended to support the Preliminary Feasibility Study and detailed below.

Subsequent to the end of the reporting period, the Company received notification from the Minister of Mines that the Baniaka West permit was renewed effective 18 December 2020 for a further three years.

**Planned activities**

The work program at Baniaka is intended to enable the completion of a Preliminary Feasibility Study and the commencement of social and environmental baseline studies.

The planned work plan will include:

- drilling and resource estimation to increase DID and Oxide Mineral Resources and classification to Indicated and/or Measured;
- pilot plant metallurgical test work of DID and Oxide bulk samples;
- mining and infrastructure studies, development of process flow diagrams, mass balances and process design criteria, definition of capital and operating cost and manning estimates, and preparation of a Preliminary Feasibility Study; and
- commencement of baseline social and environmental studies.

The drilling program comprises approximately 2,500m of wireline diamond and 9,600m of reverse circulation drilling.

The work program also includes exploration pitting and drilling, and geometallurgical testing at other prospects to assess the DID and Oxide potential.

## *BAKOUMBA PROJECT*

### Overview

Bakoumba is an advanced exploration project with defined drill targets. It is part of the Magnima Greenstone Belt, prospective for iron and precious metals, in the Chaillu Massif basement. Previous explorers had focussed on base and precious metals with limited iron exploration.

Mapping, surface sampling, geophysical surveys and pitting by the Company have confirmed a 36km strike length of semi-continuous BIF geology at Bakoumba, similar to Baniaka. Iron mineralisation at Bakoumba has been subdivided into nine (9) prospects (Figure 4).

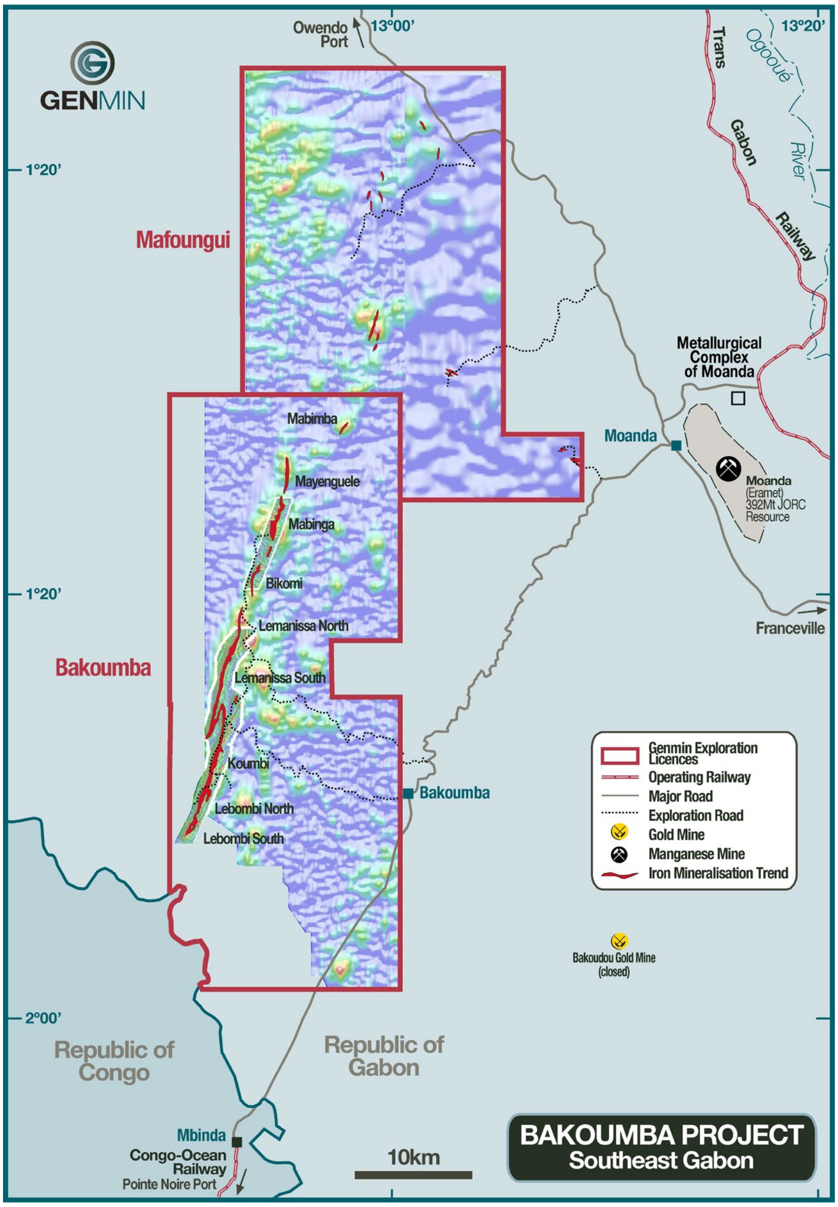


**Figure 4: Prospect Location Map – Bakoumba**

Exploration completed by Genmin at Bakoumba since 2014 includes:

- detailed geological mapping and surface sampling;
- a total of 510 line-km of ground magnetic surveys;
- detailed mapping and pitting (185 vertical linear-m of test-pitting in 44 pits) of priority prospects;
- metallurgical test work on 25 bulk DID samples; and
- a high resolution heliborne aerial photography and LiDAR survey over priority prospects.

During the reporting period, the Company submitted an application for the extension of the third term of the Bakoumba Licence in accordance with Article 111 of the 2019 Mining Code ("Bakoumba Extension"). The Bakoumba Extension was submitted on 21 October 2020 to the Ministry in charge of Mines and would enable the Company to continue technical, economic and commercial assessments of the iron mineralisation discovered at Bakoumba.

The Company continues to maintain a logistical base and field exploration camp at Bakoumba municipality in anticipation of the upcoming drilling program.

**Planned activities**

The work program at Bakoumba will include:

- auger drilling at priority prospects;
- estimation of a maiden DID Mineral Resource, and
- scoping study level assessment of the potential viability of the DID Mineral Resource.

Priority prospects of Lebombi North, Koumbi and Mabinga will be the focus of the resource definition drilling program.

***MINVOUL/BITAM PROJECT***

**Overview**

Minvoul/Bitam is an early stage exploration project and the Company has defined several early stage iron prospects and identified areas prospective for gold and base metals.

Exploration completed by Genmin at Minvoul/Bitam since 2015 includes:

- several extensive reconnaissance mapping and surface sampling campaigns; and
- a high resolution magnetic and radiometric airborne survey comprising 25,842 line-km.

The geological mapping, and high resolution airborne and ground geophysical surveys by Genmin, have indicated approximately 317km of iron mineralisation strike at Minvoul/Bitam (Figure 5).

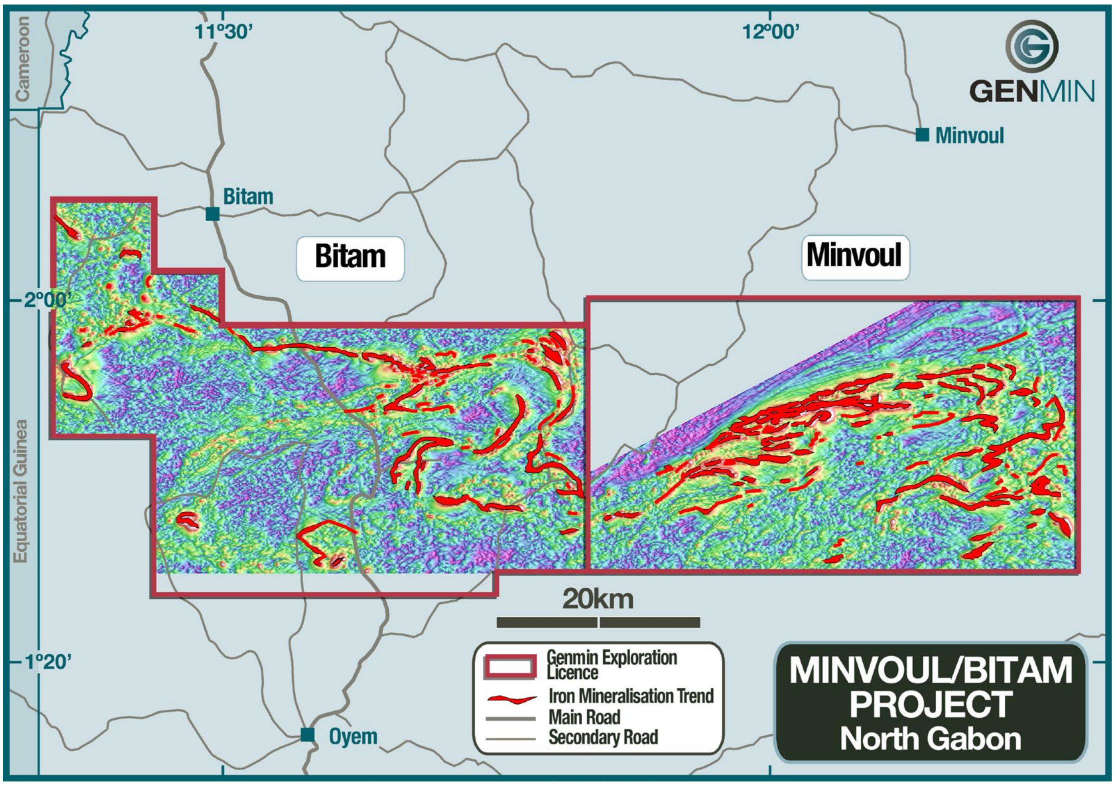

**Figure 5: Iron Targets – Minvoul/Bitam**

Regional shear zones and granitoid intrusives identified at Minvoul/Bitam by Genmin and historic government mapping are favourable settings for copper-gold mineralisation.

Subsequent to the end of the reporting period and on 19 March 2021, the Company submitted an application for the extension of the third term of the Minvoul Licence in accordance with Article 111 of the 2019 Mining Code ("Minvoul Extension"). The Minvoul Extension was submitted to the Ministry in charge of Mines and would enable the Company to continue technical, economic and commercial assessments of the early stage iron prospects discovered at Minvoul.

**Planned activities**

The work program at Minvoul/Bitam is intended to better define and prioritise iron drill targets, and to assess copper-gold prospectivity.

The proposed work program will include:

- follow-up prospect mapping and sampling of selected iron targets, and
- reconnaissance mapping and sampling in geological zones prospective for copper-gold mineralisation.

## MINERAL RESOURCE STATEMENT

The Company's Mineral Resources are reported in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012 Edition ("JORC Code 2012 Edition").

The Baniaka Mineral Resource statement as at 31 December 2020 is a total Indicated and Inferred Mineral Resource of 257.9Mt at 40.1% Fe as set out below (Table 1).

**Table 1: Mineral Resource Estimate – Baniaka (as at 30 December 2020)**

| Material | Class | Tonnes (Mt) | Fe (%) | SiO2 (%) | Al2O3 (%) | P (%) | S (%) | $LOI_{1000}$[1] (%) |
|---|---|---|---|---|---|---|---|---|
| DID | Indicated | 11.6 | 48.3 | 15.4 | 7.5 | 0.07 | 0.07 | 6.7 |
| | Inferred | 48.9 | 46.9 | 16.6 | 8.2 | 0.07 | 0.07 | 7.3 |
| Oxide | Inferred | 91.6 | 41.4 | 33.8 | 3.0 | 0.06 | 0.02 | 3.2 |
| Primary | Inferred | 105.7 | 34.9 | 44.1 | 1.8 | 0.06 | 0.03 | 0.4 |
| **Total DID, Oxide & Primary** | **Indicated & Inferred** | **257.9** | **40.1** | **34.0** | **3.7** | **0.06** | **0.03** | **3.0** |

*Notes:*

1. *Loss on Ignition ("LOI") reported at 1,000°C*

The Mineral Resource estimate remain unchanged from the previous Annual Mineral Resource Statement dated 1 April 2020 and as disclosed in Genmin's Prospectus dated 9 February 2021 ("Prospectus").

For further details including the JORC Table 1 refer to the Prospectus released on the ASX Platform on 9 March 2021. There is no new information or data that significantly affects the information included in the Prospectus, and all material assumptions and technical parameters underpinning the Mineral Resource estimate continue to apply and have not materially changed.

Prior to the release of any announcement containing new exploration results or mineral resource estimates, the Company requires consent from the Competent Person as to form and context in which the exploration results or mineral resource estimates and supporting information is presented to the Market.

### Competent Person Statements

The information in this Report which relates to the Mineral Resources is based on, and fairly represents, information and supporting documentation prepared by Richard Gaze who is a full-time employee of Golder and a Member and Chartered Professional of the Australasian Institute of Mining and Metallurgy. Richard Gaze has sufficient relevant experience to the style of mineralisation and type of deposit under consideration and to the activity for which he is undertaking to qualify as a Competent Person as defined in the JORC Code 2012 Edition. Mr Gaze consents to the inclusion in this Report of the matters based on the information in the form and context in which it appears.

All information in this Report that relates to Exploration Results is based on, and fairly represents, information compiled by Mr Mathieu Lacorde, a member of the Australian Institute of Geoscientists. Mr Lacorde is a full-time employee of the Company and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the JORC Code 2012 Edition. Mr Lacorde consents to the inclusion in this Report of the matters based on the information in the form and context in which it appears.

## Directors' Report

The Directors of Genmin Limited present their Report together with the financial statements of the Consolidated Entity, being Genmin Limited (the "Company" or "Genmin") and its Controlled Entities (the "Group") for the twelve months ended 31 December 2020.

## Principal Activities

During the period, the principal activity of entities within the Group was mineral exploration, in particular iron ore exploration in Gabon, central West Africa.

There has been no significant change to the principal activities other than as set out in this report.

## Board of Directors

***Michael Norman Arnett*** *(LLB, B.Com)*
*Non-Executive Chairman*

Mr Arnett is a former consultant to, partner of and member of the Board of Directors and national head of the Natural Resources Business Unit of the law firm Norton Rose Fulbright (formally Deacons). He has been involved in significant corporate and commercial legal work for the resource industry for over 20 years.

He has a Bachelor of Laws and Bachelor of Commerce, both from the University of New South Wales.

Mr Arnett is currently Non-Executive Chairman of ASX listed NRW Holdings Limited (appointed as a Non-Executive Director on 27 July 2007 and appointed Chairman on 9 March 2016). Mr Arnett has had no other listed directorships in the previous 3 years.

Michael is a Chair of the Remuneration & Nomination Committee and a member of the Audit & Risk Management Committee.

***Giuseppe Vince Ariti*** *(BSc, DipMinSc, MBA, MAusIMM)*
*Managing Director and Chief Executive Officer*

Mr Ariti is an experienced company director and mining executive with over 25 years' experience in technical, management and executive roles including developing, managing and financing mining projects in Australia, Indonesia, PNG and the West Africa region.

He has previously been a director of Australian iron ore producer Territory Resources Limited when it was taken over by Hong Kong based commodities trading company Noble Group. He was also a founding director of African Iron Limited, an entity developing iron ore assets in the Republic of Congo until March 2012 at which time it was taken over by Exxaro Resources Limited ("Exxaro").

Mr Ariti was Executive Chairman of the Company until his appointment as Managing Director on 20 December 2018.

Mr Ariti has had no other listed directorships in the previous 3 years.

***John Russell Hodder*** *(BSc, MSc, BComm)*
*Non-Executive Director*

Mr Hodder is a founding principal of Tembo Capital (“Tembo”), a mining private equity fund, which specialises in African and emerging markets. He has over 25 years’ experience in the resources industry. He initially worked as a geologist and then in project evaluation for both mineral, and oil and gas companies. In 1995, Mr Hodder worked for an international finance corporation financing resources projects within emerging markets, where he gained skills in both project finance and private equity. After that he worked in the funds management industry within Australia where he was directly involved in investing in resources companies listed on the ASX.

Mr Hodder is currently a Non-Executive Director of ASX listed Strandline Resources Limited (appointed 8 June 2016) and in the last 3 years was formerly a Non-Executive Director of Paladin Energy Limited (14 February 2018 to 11 December 2019).

John is a member of both the Remuneration & Nomination Committee and Audit & Risk Management Committee. Mr Hodder was the Chairman of the Board from 20 December 2018 to 10 March 2021.

***Salvatore Pietro Amico*** *(BEng AMP)*
*Non-Executive Director*

Mr Amico is a Belgium national currently residing in France. He has a degree in Metallurgical Engineering from Université de Mons, located in Belgium, and in 2003 completed the Advanced Management Programme at INSEAD, France.

Between 2013 and October 2018 he was the General Representative of Eramet (a global, diversified French mining and metallurgical group with its principal listing on the Paris stock exchange (ERA.PA)) in Gabon, resident in Libreville. Eramet (through its majority holding in COMILOG) owns the Moanda manganese mine, the second largest producer of high-grade manganese ore globally. Eramet is also the majority owner of SETRAG, the entity operating the Trans-Gabon railway.

Amongst other responsibilities, whilst Mr Amico was the General Representative of Eramet in Gabon, he oversaw the final permitting and government negotiations, construction and commissioning of the EUR228 million COMILOG metallurgical plant, which value adds manganese ore to manganese metal and silica manganese (SiMn).

Prior to 2013, Mr Amico held various roles at Eramet including Head of the Chemicals Business Unit based in Paris, CEO of the manganese salts and oxides business with production sites in the USA, China, Europe and Mexico, and two years as head of Guangxi Eramet Comilog Chemicals Ltd based in Shanghai, China.

Mr Amico has had no other listed directorships in the previous 3 years.

***Brian van Rooyen*** *(B.Eng Mechanical, MBA)*
*Non-Executive Director*

Mr van Rooyen is a South African national currently residing in South Africa. He has a degree in Mechanical Engineering and an MBA, both from the University of Pretoria, South Africa.

He spent most of his early career working in a wide variety of technical and senior managerial roles in the primary steel and stainless-steel industries. From 1997 he pursued a career in strategy and new business development with Kumba Resources Limited. In 2006, he joined Exxaro, a mining company listed on the Johannesburg Securities Exchange (JSE: EXX).

Mr van Rooyen was responsible for the acquisition and development of the Mayoko iron ore project in the Republic of Congo until 2013. He has extensive experience in new business development, project development and general management of operations. He has served as a director of several subsidiaries of Exxaro, both in South Africa and abroad.

Mr van Rooyen has had no other listed directorships in the previous 3 years.

Brian is the Chairman of the Audit & Risk Management Committee and is a member of the Remuneration & Nomination Committee.

**Company Secretary**

***Patrick McCole*** *(LLB, B.Com)*

Mr Patrick McCole was appointed as Company Secretary on 3 August 2019.

He is an in-house legal counsel with extensive corporate, mining, resources and general commercial legal experience. He has a broad range of company secretariat experience and has acted as legal counsel and company secretary at several listed Australian public companies with exploration and mining operations in Australia and West Africa.

Mr McCole has previously held Company Secretary positions at Symbol Mining Limited, Territory Resources Limited, Blackwood Corporation Limited, Monarch Gold Mining Company Limited, Alinta Limited and Foodland Australia Limited.

**Directors in Office**

The names of directors of the Company in office during the financial year and up to the date of this report are:

| | | |
|---|---|---|
| Mr Michael Norman Arnett | Non-Executive Chairman | Appointed: 10 March 2021 |
| Mr Giuseppe Vince Ariti | Managing Director &CEO | Appointed: 11 January 2010 |
| Mr John Russell Hodder | Non-Executive Director | Appointed: 22 May 2014 |
| Mr Salvatore Pietro Amico | Non-Executive Director | Appointed: 1 May 2019 |
| Mr Brian van Rooyen | Non-Executive Director | Appointed: 10 March 2021 |

## Directors' Meetings

The number of meetings of Directors held during the period and the number of meetings attended by each Director is as follows:

| | Number Eligible to Attend in 2020 | Number Attended in 2020 |
|---|---|---|
| MN Arnett | - | - |
| GV Ariti | 8 | 8 |
| JR Hodder | 8 | 8 |
| SP Amico | 8 | 8 |
| B van Rooyen | - | - |

## Audit & Risk Management Committee

During the reporting period, the Company did not have an Audit & Risk Management Committee and no meetings were held during the year. Subsequent to the end of the period the Board constituted the Audit & Risk Management Committee, which comprises three members, being Brian van Rooyen (Chair), Michael Arnett and John Hodder.

## Remuneration & Nomination Committee

During the reporting period, the Company did not have a Remuneration and Nomination Committee and no meetings were held during the year. Subsequent to the end of the period the Board constituted the Remuneration and Nomination Committee, which comprises three members, being Michael Arnett (Chair), Brian van Rooyen and John Hodder.

## Directors' interests and benefits

The relevant interest of each director in the shares, unlisted options over shares and performance rights issued by the Company at the date of this report is as follows:

| Director | Ordinary shares | | | Options | | | Performance Rights | | |
|---|---|---|---|---|---|---|---|---|---|
| | Direct | Indirect | Total | Direct | Indirect | Total | Direct | Indirect | Total |
| Michael Arnett | - | 735,294 | **735,294** | | - | - | - | - | - |
| Giuseppe Ariti | 13,038,808 | - | **13,038,808** | 5,515,028 | - | **5,515,028** | 4,800,000 | - | **4,800,000** |
| John Hodder | - | - | **-** | - | - | - | - | - | **-** |
| Salvatore Amico | - | - | **-** | - | - | - | 1,200,000 | - | **1,200,000** |
| Brian van Rooyen | - | - | **-** | - | - | **-** | - | - | **-** |
| | **13,038,808** | **735,294** | **13,774,102** | **5,515,028** | **-** | **5,515,028** | **6,000,000** | **-** | **6,000,000** |

## Review of Results and Operations

The Group recorded a loss after tax for the 12 months ended 31 December 2020 of USD 2,812,286 (twelve months ended 31 December 2019: Loss USD1,079,665).

Details of the operations of the Group are set out in the Review of Operations on page 5.

**Corporate Governance**

In recognising the need for high standards of corporate behaviour and accountability, the Directors of Genmin support and have to the extent relevant and practical, adhered to the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th Edition). The Company's detailed corporate governance policy statement can be found and viewed on the Company's web site at genmingroup.com.

**Dividends Paid or Recommended**

There were no dividends paid or declared during the period.

**Likely Developments and Expected Results**

The Group plans to continue exploration and development studies in respect of its projects in Gabon. Likely developments in the operations of the Group are set out in the Review of Operations on page 5.

**Significant Changes in State of Affairs**

*Board Structure*

On 18 January 2021 shareholders approved the appointment of Mr Michael Arnett and Mr Brian van Rooyen as Directors subject to the Company proceeding with, and listing on the ASX.  The appointments of both Mr Arnett and Mr van Rooyen to the Board for Directors became effective, 10 March 2021.

Mr Arnett was appointed as Non-Executive Chairman of the Board effective, 10 March 2021.

*ASX listing*

ON 9 March 2021, Genmin was admitted to the Official List of ASX, under the ASX Code (ASX: GEN) and on 10 March 2021, the Company's securities were quoted and commenced trading on the ASX.

*New Constitution*

At the General Meeting held on 18 January 2021, shareholders approved that, with effect from the admission of the Company to the Official List of ASX, the Company repealed its Constitution entirely and the Company adopted a new Constitution to comply with the ASX Listing Rules.

Shareholders also approved the inclusion of proportional takeover provisions in the new Constitution under the new Rule 6.

*Change of External Auditor*

On 20 January 2020, the Directors appointed Bentleys Audit and Corporate (WA) Pty Ltd ("Bentleys") as the Company's Auditors following ASIC's consent to the resignation of Grant Thornton Audit (WA) Pty Ltd. In accordance with the Corporations Act, shareholders approved Bentleys as the Company's Auditor at the AGM held on 28 May 2020.

*COVID-19*

The World Health Organization announced that the coronavirus disease (COVID-19) had become a Pandemic on 11 March 2020. The Company implemented health protection measures to minimise the risks of COVID-19 transmission and to minimise the impact on operations. The Company will continue to monitor the potential impact of COVID-19 on its operations, and the potential extent of any further disruption.

**Events Arising Since the End of the Reporting Period**

*Initial Public Offering*

On 10 March 2021, Genmin completed an Initial Public Offering ("IPO") as set out in the Company's Prospectus dated 9 February 2021 and became an ASX-listed entity. On completion, the Company:

- raised AUD29,999,999.96 (US$23.1m) by issuing 88,235,294 ordinary fully paid shares at an issue price of A$0.34 per share;

- repaid in full, the debt owed under the Convertible Note Deed dated 1 May 2020 ("Convertible Note Deed), by issuing 12,253,105 Shares to Ndovu Capital I.B.V (a subsidiary of Tembo Capital Mining Fund LP) at an issue price of A$0.34 per share in full conversion of the convertible notes issued under the Convertible Note Deed (being such number of shares as was equal to the US$3,207,863 owing under the Convertible Note Deed);

- granted 5,000,000 options to the Joint Lead Managers of the IPO as part of the consideration of their services, the key terms of the options are:
  - Exercise Price: A$0.442
  - Grant Date: 8 March 2021
  - Expiry Date: 7 March 2026

*Exploration Permits*

Subsequent to the end of the period, the Company was notified by the Ministry of Mines that the Baniaka West permit had been renewed on 18 December 2020 for a further three years.

On 19 March 2021, the Company submitted an application for a three year extension to the third term of the Minvoul Licence (G9-512) in accordance with Article 111 of the 2019 Mining Code ("Minvoul Extension"). The Minvoul Extension was submitted to the Ministry in charge of Mines and enables the Company to continue technical, economic and commercial assessments of the iron mineralisation discovered at Minvoul.

### *Unissued Shares Under Option and Rights*

*Options*

The options to acquire fully paid ordinary shares in Genmin that were issued during the period and up to the date of this report, are as follows:

| Date of Grant | Expiry Date | Exercise Price | Number Granted |
|---|---|---|---|
| 8 March 2021 | 7 March 2026 | AUD0.442 | 5,000,000 |
| | | **Total** | **5,000,000** |

During the period and up to the date of this report, the Company has issued the following shares in accordance with the option exercise notice received from the Option holder:

- On 20 January 2020, the Company issued 7,031,705 fully paid ordinary shares to Ndovu upon exercise of 7,031,705 options with an exercise price of USD0.15 per option contributing approximately USD1.05 million to the Company.

During the period, 130,682 options lapsed.

All options entitle the holder to acquire fully paid ordinary shares in Genmin. Unissued ordinary shares of Genmin under option at the date of this report are as follows:

| Date Options Granted | Expiry Date | Exercise Price of Options ($) | Number Options |
|---|---|---|---|
| 1 September 2012 | 14 August 2022 | AUD0.04 | 8,200,000 |
| 7 June 2017 | 6 June 2022 | AUD0.04 | 124,403 |
| 23 May 2016 | 30 April 2021 | USD0.25 | 968,625 |
| 31 July 2018 | 31 January 2023 | USD0.15 | 1,254,479 |
| 5 August 2019 | 31 July 2024 | USD0.15 | 250,000 |
| 7 August 2019 | 31 July 2024 | USD0.15 | 280,000 |
| 1 October 2019 | 31 July 2024 | USD0.15 | 10,077 |
| 8 March 2021 | 7 March 2026 | AUD0.442 | 5,000,000 |
| | | **Total** | **16,087,584** |

All options do not have any rights to participate in any share issues and do not carry any voting rights.

No options were issued to directors or employees as part of their remuneration during the year.

*Performance Rights*

At the 2018 Annual General Meeting, shareholders approved the adoption of a Performance Rights Plan ("Plan").

On 23 June 2020, the Company issued 1,200,000 performance rights ("Rights") to Mr Salvatore Pietro Amico under the Plan as part of his remuneration.

All Rights were issued for no consideration and upon achievement of the relevant milestone, each will entitle the holder to one fully paid ordinary share in the Company (unless the Board resolves to otherwise satisfy via a cash payment). If the milestone is not achieved by the relevant expiry date, the Rights will lapse (unless otherwise determined by the Board in accordance with the Plan).

During the year, the Board has also approved, subject to shareholder approval at the next annual general meeting to provide a grant of 1,600,000 Rights to Mr Michael Arnett and 1,200,000 Rights to Mr Brian van Rooyen with various performance vesting hurdles as a component of remuneration and to provide incentives linked to the performance of the Company via hurdles that are aligned to the strategic objectives of the Company.

Subsequent to the end of the period, the Board has determined that 1,965,000 Rights have lapsed under the terms of the Plan.

All Rights have been granted as at risk remuneration and the interest of personnel and directors in unissued ordinary shares of Genmin under Rights at the date of this report are as follows:

| Name | Expiry Date | Opening Balance | Issued 2020 | Vested | Lapsed | Exercised | Closing Balance |
|---|---|---|---|---|---|---|---|
| GV Ariti | 25-Aug-21 | **6,000,000** | - | - | (1,200,000) | - | 4,800,000 |
| M Lacorde | 11-Sep-21 | **750,000** | - | 250,000 | - | (250,000) | 500,000 |
| P McCole | 30-Dec-22 | **1,200,000** | - | 300,000 | (600,000) | - | 600,000 |
| S Thomson | 30-Dec-22 | **250,000** | - | - | (165,000) | - | 85,000 |
| D Hoskin | 30-Dec-22 | **250,000** | - | 82,500 | - | - | 250,000 |
| A Corbett | 30-Dec-22 | **100,000** | - | 50,000 | - | - | 100,000 |
| P Amico | 22-Jun-23 | **-** | 1,200,000 | **-** | - | - | 1,200,000 |
| | **Total** | **8,550,000** | 1,200,000 | 932,500 | (1,965,000) | (250,000) | 7,535,000 |

Details of the Rights on issue as at the date of this Report and the Fair Value of the Rights are set out in Note 15.3 to the Financial Statements. All Rights do not have any rights to participate in any share issues and do not carry any voting rights.

### ***Environmental Legislation***

The Company and its activities under the exploration permits granted to the Group pursuant to the 2019 Mining Code are subject to various conditions, which include environmental protection requirements that are monitored and overseen by the Ministry of Mines and Ministry of Environment in Gabon.

The Group adheres to these conditions and the Directors are not aware of any contraventions of these requirements.

### ***Other Information***

*Insurance of officers*

During the period, Genmin paid a premium of AUD26,697.50 for the 2020/2021 Director & Officers Indemnity Insurance policy to insure the directors, company secretaries and officers of the Company. The liability insured includes the indemnification costs incurred by the Company against any legal liability to third parties and defence costs arising out of any claim in respect to directors or officers acting in their capacity as a director or officer other than any indemnification not permitted by law.

No liability has arisen under this indemnity as at the date of this report.

*Deeds of Access, Indemnity and Insurance*

The Company has entered into deeds of access, indemnity and insurance with each Director and Company Secretary, which confirms each person's right of access to certain books and records of the Company for a period of seven years after the Director ceases to hold office. The deeds also require the Company to provide an indemnity for liability incurred as an officer of the Company, to the maximum extent permitted by law.

Under the deeds, the Company must arrange and maintain Directors' and Officers' insurance during each Director's period of office and for a period of seven years after a Director ceases to hold office.

The deeds are otherwise on terms and conditions considered standard for deeds of this nature in Australia.

*Indemnity of auditors*

The Group has agreed to indemnify its auditors, Bentleys Audit and Corporate (WA) Pty Ltd, to the extent permitted by law, against any claim by a third party arising from the Group's breach of its agreement. The indemnity requires the Group to meet the full amount of any such liabilities including a reasonable amount of legal costs. The indemnity stipulates that the Company will indemnify and hold the auditor and its personnel harmless from any loss arising out of claim caused by the Company or any of its agents.

*Proceedings on behalf of Group*

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

*Non-audit services*

For the year ended 31 December 2020, the Board of Directors note that the auditor, Bentleys Audit and Corporate (WA) Pty Ltd, did provide non-audit services to the Company in regard to tax advice and the preparation of an Investigating Accountant's Report.  The details of this report can be found in the Company's Prospectus.

The Directors have considered and are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. Refer to Note 6 in the financial statements for the payments made for non-audit services during the financial year.

*Transactions with key management personnel and directors*

Refer to Note 18 for Related Party transactions. There were no other transactions with Directors and Key Management Personnel during the year ended 31 December 2020.

*Auditor's independence declaration*

A copy of the Auditor's Independence Declaration as required under section 307C of the Corporations Act 2001 is set out on page 37 and forms part of this Directors' Report.

Signed in accordance with a resolution of the Board of Directors.

Michael Arnett
**Non-Executive Chairman**
30 March 2021

## Remuneration Report

The Remuneration Report outlines the remuneration arrangements in place for Directors and Key Management Personnel of the Company in accordance with section 308 (3c) of the *Corporations Act 2001*.

For the purpose of this report the Key Management Personnel are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly, including any directors of the Company.

The report covers the following key management personnel:

| | | |
|---|---|---|
| **Non- Executive Directors** | | |
| John Hodder | Non-Executive Director | |
| Salvatore Amico | Non-Executive Director | Appointed 1 May 2019 |
| **Executive Director** | | |
| Giuseppe Ariti | Managing Director | |
| **Former Directors** | | |
| Claire Sylvia Tolcon | Non-Executive Director | Resigned 3 August 2019 |
| **Senior Executives** | | |
| Patrick McCole | General Manager Commercial & Company Secretary | Appointed 23 July 2019 |

Mr Arnett (Chairman) and Mr van Rooyen as Non-executive directors are also considered Key Management Personnel. However, as their appointment on 10 March 2021 is subsequent to the end of the reporting period, they are not included in this report

## Remuneration and Nomination Committee

During the period, the Company did not have a Remuneration and Nomination Committee and no meetings were held during the year. Subsequent to the end of the period the Board constituted the Remuneration and Nomination Committee ("RNC"), which comprises three members, being Michael Arnett (Chair), Brian van Rooyen and John Hodder.

The role of the RNC is to assist the Board to fulfil its responsibilities with respect to employee and director remuneration, and board composition and diversity, by making recommendations to the Board on:

- Establishing appropriate remuneration levels and policies including incentive policies for Directors and senior executives;
- A Remuneration Framework which enables the Company to attract, retain and motivate high quality Senior Executives who create value for shareholders; and
- The selection, composition, performance and appointment of members of the Board so that it is effective and able to operate in the best interests of shareholders.

## Remuneration Standard and principles

Genmin is committed to ensuring that its remuneration practices enable the Company to:

- Provide reasonable and not excessive compensation to employees for the services they provide to the Company;
- Attract and retain employees with the skills required to effectively manage the operations and growth of the business;
- Motivate employees to perform in the best interests of the Company and its stakeholders;
- Provide an appropriate level of transparency and meet all ASX and ASIC requirements; and
- Ensure a level of equity and consistency across the Company.

## Non-Executive Director Remuneration

The overall level of annual non-executive Director fees is approved by shareholders in accordance with the requirements of Corporations Act. The Board decides on actual fees to be received by individual directors within the quantum approved by shareholders. The non-executive director fees were set at USD60,000 inclusive of statutory superannuation (if applicable), other than Mr Hodder who is remunerated by Tembo and the Chairman's fee at USD80,000 inclusive of statutory superannuation (if applicable). In setting the fees, the Board has regard to market rates and the circumstances of the Company and consequent expected workloads of the directors.

No non-executive director fees are paid by the Company to Mr Hodder, on the basis that he is separately remunerated by Tembo.

The Directors do not receive any additional fees for membership on any of the Board committees. However any Director who performs extra services, makes any special exertions for the benefit of the Company or who otherwise performs services which, in the opinion of the Board, are outside the scope of the ordinary duties of a Non-Executive Director, may be remunerated for the services (as determined by the Board) out of the funds of the Company.

Non-executive Directors may be invited to participate in the Company's Plan. Participation in the Plan is subject to shareholder approval and will occur where the Board believes it is in the best interests of the Company to include non-executive directors in the Company's Plan, in particular where such inclusion is designed to encourage non-executive Directors to have a greater involvement in the achievement of the Company's long-term objectives.

The number of Rights pursuant to the Plan and the hurdles attached to the Rights to be issued to Directors are determined based on factors such as the role of the non-executive directors in the Company and their involvement in achieving the objectives of the Company.

## Executive Remuneration

The objective of the Company's executive remuneration is to ensure reward for performance is market competitive and appropriate for the results delivered. The executive remuneration is aligned with achievement of strategic and operational objectives and the creation of value for shareholders.

Genmin plans to review and align its remuneration with that of comparable organisations for roles at all levels of the Company so that remuneration comprises both fixed remuneration and performance based (at risk) remuneration. The proportion of an employee's total remuneration that is at risk will increase with seniority and with the individual's ability to impact the performance of the Company.

In accordance with accepted practice, it is intended that the at risk elements of total remuneration will comprise both short term incentives as a reward for performance and long term incentives that align medium and long term shareholder interests.

## Fixed Remuneration

Fixed remuneration of senior executives is to be at a sufficient level to provide full and appropriate compensation for the roles and responsibilities of that executive. Fixed remuneration is to be set having regard to the levels paid in comparable organisations at the time of recruitment to the position, recognising the need to maintain flexibility to take into account an individual's experience or specialist skills and market demand for particular roles.

## Variable Remuneration

In addition to fixed remuneration more senior employees may be entitled to performance based remuneration, which will be paid to reward superior (as opposed to satisfactory) performance.

Performance based remuneration is calculated against predetermined and challenging targets, based on a percentage of the relevant executive's package, and reviewed by the Board to guard against anomalous or unequitable outcomes.

Performance based remuneration can comprise both short term (usually annual) and long term (3-5 year) incentives.

### *Short-term Incentives*

The Company currently does not have a short-term incentive ("STIP") scheme. As part of establishing the RNC, the Company may consider the use of short term incentives as part of the remuneration framework.

### *Long-term Incentives*

Long term incentives ("LTIP") may be provided to certain senior executives to reward creation of shareholder value and provide incentives to create further value.

Long term incentive awards will occur through the Company's Plan that was approved by shareholders at the 2018 Annual General Meeting.

The Plan forms the "at risk" component of remuneration and Rights will generally have a vesting period longer than one year.

The Rights are issued for no consideration and upon achievement of the relevant milestone, each will entitle the holder to one fully paid ordinary share in the Company (unless the Board resolves to otherwise satisfy via a cash payment). If the milestone is not achieved by the relevant expiry date, the Rights will lapse (unless otherwise determined by the Board in accordance with the Plan).

LTI performance is measured annually and subject to the achievement of the performance hurdles, Rights will vest at the completion of the annual review.

***Target Remuneration Mix***

The target remuneration mix for FY 2021 is shown in the table below. It reflects the pending development of a STIP and the existing Plan.

| Fixed Remuneration – 75% | At Risk Remuneration -25% | |
|---|---|---|
| Annual Salary and benefits | Short Term Incentives | Long Term Incentives |
| 40% | 0% | 60% |

## Remuneration for financial year

The remuneration table below sets out the remuneration information for the executive directors and executive managers who are considered to be key management personnel of the Company.

| Name | Year | Cash Salary US$ | Cash Bonus US$ | Post Employment benefits US$ | Share Based payments (Performance rights)[2] US$ | Totals US$ | Share based payments as a percentage of Remuneration (%) |
|---|---|---|---|---|---|---|---|
| **Directors** | | | | | | | |
| Giuseppe Ariti | 2020 | 182,648 | - | 17,352 | (310,469) | (110,469) | 281% |
| | 2019 | 182,648 | - | 17,352 | (689,134) | (489,134) | 141% |
| John Hodder | 2020 | - | - | - | - | - | 0% |
| | 2019 | - | - | - | - | - | 0% |
| Pietro Amico[1] (appointed 1 May 2019) | 2020 | 60,000 | - | - | 579,168 | 639,168 | 91% |
| | 2019 | 51,714 | - | - | - | 51,714 | 0% |
| Claire Tolcon (appointed 22 May 2014, resigned 3 August 2019) | 2020 | - | - | - | - | - | 0% |
| | 2019 | 24,545 | - | - | (725,400) | (700,855) | 104% |
| **Total Director Remuneration** | **2020** | **242,648** | **-** | **17,352** | **268,699** | **528,699** | **51%** |
| | **2019** | **258,907** | **-** | **17,352** | **(1,414,534)** | **(1,138,275)** | **124%** |
| **Other Key Management personnel** | | | | | | | |
| Patrick McCole (appointed 22 July 2019) | 2020 | 144,987 | - | 13,774 | (245,876) | (87,115) | 282% |
| | 2019 | 65,894 | - | 6,260 | 558,028 | 630,182 | 89% |
| **Total Key Management Personnel Remuneration** | **2020** | **144,987** | **-** | **13,774** | (245,876) | (87,115) | **282%** |
| | **2019** | **65,894** | **-** | **6,260** | **558,028** | **630,182** | **89%** |

1. Mr Amico provided executive consulting services of US$11,714 in the year ended 31 December 2019 in addition to the USD$40,000 paid for Non-Executive feed. Consultancy fees have been included in the 2019 Cash Salary.
2. Amounts reflect the AASB2 fair value accounting treatment for Performance Rights during the year.

GENMIN

## 2020 Company performance and Remuneration

Subsequent to the end of the period, the Company successfully completed an IPO to raise A$30 million and listing on the ASX. The quotation and trading of Genmin's securities commenced on 10 March 2021. The IPO issue price of A$0.34, provided an indicative market capitalization of A$136 million for the Company and provided liquidity for the existing shareholders.

The table below shows key financial measures of company performance over the past five years.

| | | 2020 | 2019 | 2018 | 2017 | 2016 |
|---|---|---|---|---|---|---|
| Revenue | *USD* | 69,836 | 939 | 1,180 | 6,072 | 769 |
| Net Profit/(loss) after tax | *USD* | (2,812,286) | (1,079,665) | (4,872,941) | (1,918,170) | (1,228,317) |
| Basic earnings/(loss) per share | Cents | (0.94) | (0.38) | (1.97) | (1.05) | (0.85) |
| Dividends paid per share | Cents | N/A | N/A | N/A | N/A | N/A |
| Share Price (Last trade day of Financial year) | | N/A | N/A | N/A | N/A | N/A |

### Performance Based Remuneration

During the 2020 financial year, no short-term incentives were granted or paid by the Company (2019: Nil).

The relative proportions of short-term performance remuneration for all of the Key Management Personnel are also shown as follows:

| Year | At risk – short term incentive | | | |
|---|---|---|---|---|
| | **Total Opportunity $** | **Cash Incentive paid** | **Percentage Paid** | **Percentage Forfeited** |
| **2020** | Nil | Nil | Nil | Nil |
| **2019** | Nil | Nil | Nil | Nil |

### Use of remuneration consultants

During the year, the Company did not use any remuneration consultants.

The Board and RNC intends to review executive remuneration annually, including assessment of:

- Advice from independent external remuneration consultants;
- Individual and business performance measurement against both internal targets and appropriate external comparatives; and
- General remuneration advice from both internal and independent external sources.

### Share Trading Policy

The trading of shares by all employees is subject to, and conditional upon, compliance with the Company's share trading policy, which is available on the Company's website: genmingroup.com.

Directors and restricted personnel (CEO direct reports) are prohibited from trading during designated Blackout Periods and outside these periods, must receive prior approval for any proposed dealing in Genmin's securities.

Directors and employees are prohibited from hedging any unvested entitlement in the Company's securities under any equity-based executive incentive plan. Additionally, Directors and employees may not engage in short-term or speculative trading of the Company's securities and approval is required for financial products (Margin Lending) issued or created over, or in respect of the Company's securities.

**Service Agreements**

All non-executive directors enter into a service agreement with the company in the form of an appointment letter. The letter summarises the board policies and terms, including remuneration, relevant to the office of director.

The remuneration and other terms of employment for other key management personnel are covered in formal employment contracts. The key terms of their employment contracts, at the date of release of this report, are shown in the table below.

| Name | | Terms/Notice periods/Termination payment |
|---|---|---|
| **Giuseppe Ariti** | **Title** | **Managing Director & Chief Executive Officer** |
| | Salary | $300,000 plus Superannuation. A market review is to be conducted after 12 months |
| | Employee Benefits | Mobile phone calls, parking, professional membership costs and general expenses in course of employment. |
| | LTIP | Eligible for participation in incentive plans. Refer to STIP and LTIP sections for further details. |
| | Term of Employment | 2 Years (commencing on 10 March 2021). |
| | Employer Termination Notices | Immediately for misconduct wilful neglect, fraud and serious breach of the Company's policies and procedures, 3 months notice without cause. |
| | Employee Termination Notices | 3 months notice to terminate without cause. |
| **Patrick McCole** | **Title** | **General Manager Commercial & Company Secretary** |
| | Salary | $210,000 plus Superannuation. |
| | Employee Benefits | Mobile phone calls, professional membership costs and general expenses in course of employment. |
| | LTIP | Eligible for participation in incentive plans. Refer to STIP and LTIP sections for further details. |
| | Term of Employment | 2 years (commencing on 22 July 2019). |
| | Employer Termination Notices | Immediately for misconduct wilful neglect, fraud and serious breach of the Company's policies and procedures, 3 months notice without cause. |
| | Employee Termination Notices | 3 months notice to terminate without cause |

## SHARE-BASED COMPENSATION

### *Issue of Shares*

No shares were issued to Directors or Key Management as part of remuneration during the financial year.

***Options granted to Directors' and Officers of the Company***

No options were granted as part of remuneration during the 2020 financial year. No options have been issued as remuneration in previous years.

***Performance Rights granted to Directors' and Officers of the Company***

Rights are issued by the Board under the Plan which was approved by shareholders at the 2018 Annual General Meeting. The Rights are issued to staff and directors, and are linked to performance hurdles that correspond to the business plan and objectives of the Company. At the discretion of the Board all exercised Rights can be settled by one ordinary share for every Right or a cash payment. All Rights currently expire three years from the date of issue.

On 23 June 2020, the Company issued 1,200,000 Rights to Mr Salvatore Pietro Amico as a component of his remuneration and to provide incentives linked to the performance of the Company via hurdles that are aligned to the strategic objectives of the Company. The issue of the Rights to Mr Amico was approved by shareholders at the Annual General Meeting held on 28 May 2020 as set out below (vesting conditions as at the date of this Report):

| Name | Number of Rights | Vesting Condition |
|---|---|---|
| **Salvatore Pietro Amico** | 360,000 | Grant of a Mining Permit and entering into the Mining Convention for the Baniaka Iron Ore Project by 31 December 2021. |
| | 480,000 | Building a brand name in Gabon and messaging to Government and other stakeholders of the Company's plans and programs and how best to implement to ensure the Company achieves its goals. The achievement of this condition will be subjectively assessed by the Board (other than the recipient and at its discretion) six months from the date that normal travel recommences in and out of Gabon. |
| | 360,000 | Assisting in achieving either: a project financing outcome once the Mining Permit is granted; or, an exit at an amount in excess of USD200 million for shareholders of the Company before 31 December 2021. |

During the financial year, the Board reviewed the performance hurdles to assess if there have been any extenuating circumstances due to COVID-19, which are outside the control of the participants and impacted the ability to achieve the performance criteria.  On 26 August 2020, the Board (other than Mr Amico) amended the vesting conditions by extending the assessment date for the achievement of the vesting conditions in respect to the 2nd Tranche of 480,000 Rights from December 2020 to six months from the date that normal travel recommences in and out of Gabon.

On 18 February 2021, the Board (other than Mr Amico) further reviewed and amended the performance hurdles in respect to the 2nd Tranche of 480,000 Rights whereby normal travel in and out of Gabon was deemed to have commenced from 1 July 2021. There was no change to the fair value of the Rights as a result of the amendments.

In the 2018 financial year, the Board issued 6,000,000 Rights to Mr Giuseppe Ariti. On 18 February 2021, the Board determined 1,200,000 Rights were not capable of achievement and accordingly these Rights have lapsed. The performance hurdles for the Rights on issue to Mr Giuseppe Ariti (as at the date of this Report) are set out below:

| Name | Number of Rights | Vesting Condition |
|---|---|---|
| **Giuseppe Ariti** | 1,200,000 | Definition in total at the Baniaka and Baniaka West projects of >150Mt of DSO Inferred Mineral Resource, where DSO means Detrital/Channel iron deposits, Powder Ore and Intact Hematite Ore. |
| | 1,200,000 | Entering into substantive Rail and Port Infrastructure Agreements for the Baniaka Iron Ore Project. |
| | 1,200,000 | Asset growth through the acquisition of key projects with significant value uplift (as determined by an independent party). |
| | 1,200,000 | Shareholder exit whereby the Company is acquired for an amount in excess of USD200 million is achieved. |

On 31 December 2019, the Company issued 1,200,000 Rights to Mr Patrick McCole. On 18 February 2021, the Board determined the vesting conditions for 600,000 Rights had not been achieved by the hurdle date and accordingly these Rights have lapsed. The Board also determined that the vesting condition for the 2nd Tranche (as set out below) had been achieved and determined that the 2nd Tranche of 300,000 Rights had vested. The performance hurdles for the Rights on issue to Mr Patrick McCole (as at the date of this Report) are set out below:

| Name | Number of Rights | Vesting Condition |
|---|---|---|
| **Patrick McCole** | 300,000 | Grant of a Mining Permit and entering into the Mining Convention for the Baniaka Iron Ore Project by 31 December 2021. |
| | 300,000 | Development, documentation and implementation of a Group Compliance Policy Manual by 31 December 2020. |

During the year, the Board has also approved, subject to shareholder approval at the next annual general meeting to provide a grant of 1,600,000 Rights to Mr Michael Arnett and 1,200,000 Rights to Mr Brian van Rooyen with various performance vesting hurdles as a component of remuneration and to provide incentives linked to the performance of the Company via hurdles that are aligned to the strategic objectives of the Company.

In the 2019 year, the 2,400,000 Rights previously issued to Ms Claire Tolcon lapsed under the terms of the Plan when Ms Tolcon ceased being an eligible participant under the Plan upon her resignation from the Board on 3 August 2019.

Further details of the Rights on issue as at the date of this Report and the Fair Value of the Rights are set out in Note 15.3 to the Financial Statements. All Rights do not have any rights to participate in any share issues and do not carry any voting rights.

### *Additional Equity instrument disclosures*

The interest of key management personnel and directors in Performance Rights (held directly, indirectly, beneficially or their related parties) at the end of financial year 2020 were as follows:

| 2020 Names & Grant Dates | Balance at 1 January 2020 | Acquired during the Year | Granted as Compensation | Vested | | Exercised | Forfeited | | Net Other Change | Balance as at 31 December 2020 | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Number | % | | Number | % | | Vested and Exercisable | Unvested |
| **Non-Executive Directors** | | | | | | | | | | | |
| J Hodder | - | - | - | - | - | - | - | - | - | - | - |
| S Amico | | | | | | | | | - | | |
| Rights (23 June 2020) | - | - | 1,200,000 | - | - | - | - | - | - | - | 1,200,000 |
| **Executive Directors** | | | | | | | | | | | |
| G Ariti | | | | | | | | | | | |
| Rights (26 August 2018) | 6,000,000 | - | - | - | - | - | 1,200,000 | 20% | - | - | 4,800,000 |
| **Senior Executives** | | | | | | | | | | | |
| P McCole | - | - | - | - | - | - | - | - | - | - | - |
| Rights (31 December 2019) | 1,200,000 | - | - | 300,000 | 25% | - | 600,000 | 50% | - | 300,000 | 300,000 |
| **Former Directors** | | | | | | | | | | | |
| C Tolcon | - | - | - | - | - | - | - | - | - | - | - |
| **Total** | **7,200,000** | **-** | **1,200,000** | **300,000** | **4%** | **-** | **1,800,000** | **21%** | **-** | **300,000** | **6,300,000** |

The interests of key management personnel and directors in shares (held directly, indirectly, beneficially or their related parties) at the end of the financial year 2020 are as follows:

| | Balance at 1 January 2020 | Acquired during year | Options converted during year | Disposed during the year | Net Change Other | Balance at 31 December 2020 |
|---|---|---|---|---|---|---|
| **Non -Executive Directors** | | | | | | |
| J Hodder | - | - | - | - | - | - |
| S Amico | - | - | - | - | - | - |
| **Executive Director** | | | | | | |
| G Ariti | 13,038,808 | - | - | - | - | 13,038,808 |
| **Senior Executive** | | | | | | |
| P McCole | - | - | - | - | - | - |
| **Former Directors** | | | | | | |
| C Tolcon | - | - | - | - | - | - |
| **Total** | **13,038,808** | **-** | **-** | **-** | **-** | **13,038,808** |

### Annual General Meeting

No comments were made in respect to remuneration at the 2020 Annual General Meeting.

In accordance with ASX Listing Rule 3.13.1, the Company advises that the 2021 Annual General Meeting will be held on Thursday, 27 May 2021.

### Independent audit of Remuneration Report

The Remuneration Report has been audited by Bentleys. Please see page 74 of this report for Bentley's report on the Remuneration Report.

Signed in accordance with a resolution of the Board of Directors.

Michael Arnett
**Non-Executive Chairman**
30 March 2021

Bentleys
THINKING AHEAD

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To the Board of Directors

## Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

As lead audit Partner for the audit of the financial statements of Genmin Limited for the financial year ended 31 December 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

Yours Faithfully,

Bentleys

**BENTLEYS**
**Chartered Accountants**

Chris Nicoloff

**CHRIS NICOLOFF CA**
**Partner**

Dated at Perth this 30th day of March 2021

## Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2020

| | Note | 2020 US$ | 2019 US$ |
|---|---|---|---|
| **Continuing operations** | | | |
| Other income | 4 | 69,836 | 939 |
| **Total Other income** | | **69,836** | **939** |
| Accounting and audit fees | | (280,031) | (237,091) |
| Consultancy fees | | (140,224) | (199,909) |
| Travel and accommodation | | (18,749) | (76,991) |
| Corporate expenses | | (232,310) | (200,762) |
| Director and employee expenses | 5 | (889,265) | 17,489 |
| Legal fees | | (678,073) | (57,754) |
| Occupancy expenses | | (22,389) | (18,485) |
| Depreciation expense | | (82,047) | (77,187) |
| Interest paid | | (116,875) | (9,811) |
| Impairment | | (7,021) | (209,823) |
| Provision for doubtful debt | | (32,103) | - |
| Financial cost | | (383,035) | (10,280) |
| **Loss before income tax** | | **(2,812,286)** | **(1,079,665)** |
| Income Tax Expense | 7 | - | - |
| **Loss after income tax** | | **(2,812,286)** | **(1,079,665)** |
| **Profit (loss) for the year** | | **(2,812,286)** | **(1,079,665)** |
| Profit(loss) attributable to: | | | |
| Owners of Genmin Group Limited | | (2,804,809) | (1,072,857) |
| Non-controlling interests | | (7,477) | (6,808) |
| **Basic Earnings per share** | 19 | **(0.936) cent** | (0.379) cent |
| **Diluted Earnings per share** | 19 | **(0.876) cent** | (0.333) cent |
| **Other comprehensive income** | | | |
| *Items that may be reclassified subsequently to profit or loss* | | | |
| · exchange differences on translating controlled entities | | 1,440,015 | (325,114) |
| **Other comprehensive income, net of income tax** | | **1,440,015** | **(325,114)** |
| **Total comprehensive loss for the year** | | **(1,372,271)** | **(1,404,779)** |
| Total Comprehensive income(loss) for the year attributable to: | | | |
| Owners of Genmin Group Limited | | (1,364,987) | (1,396,026) |
| Non-controlling interests | | (7,284) | (8,753) |

This statement should be read in conjunction with the notes to the financial statements.

## Consolidated Statement of Financial Position

As at 31 December 2020

| | Note | 2020 US$ | 2019 US$ |
|---|---|---|---|
| **Assets** | | | |
| **Current** | | | |
| Cash and cash equivalents | 8 | 868,274 | 217,953 |
| Trade and other receivables | 9 | 77,498 | 44,096 |
| Financial assets | 22 | - | 58 |
| Prepayments | | 84,024 | 83,379 |
| **Total current assets** | | **1,029,796** | **345,486** |
| **Non-current** | | | |
| Property, plant and equipment | 10 | 247,750 | 332,483 |
| Exploration and evaluation assets | 11 | 24,910,867 | 22,112,217 |
| Intangible Assets | 12 | 395,285 | 395,285 |
| Capital Work in Progress | | - | 2,108 |
| Right of Use Asset | 13 | 79,314 | 127,320 |
| **Total non-current assets** | | **25,633,216** | **22,969,413** |
| **Total assets** | | **26,663,012** | **23,314,899** |
| **Liabilities** | | | |
| **Current** | | | |
| Trade and other payables | 14 | 815,522 | 597,315 |
| Lease Liabilities | 13 | 73,536 | 60,788 |
| Convertible Note | 17 | 2,823,460 | - |
| Embedded Derivative | 17 | 583,789 | - |
| **Current liabilities** | | **4,296,307** | **658,103** |
| **Non-Current** | | | |
| Lease Liabilities | 13 | 8,945 | 70,894 |
| **Non-Current liabilities** | | **8,945** | **70,894** |
| **Total liabilities** | | **4,305,252** | **728,997** |
| **Net assets** | | **22,357,760** | **22,585,902** |
| **Equity** | | | |
| Share capital | 15.1 | 37,130,711 | 36,075,955 |
| Reserves | 15.4 | (298,038) | (1,827,233) |
| Accumulated losses | | (14,409,111) | (11,604,302) |
| Equity attributable to owners of the Company | | **22,423,562** | **22,644,420** |
| Non-controlling interest | | (65,802) | (58,518) |
| **Total equity** | | **22,357,760** | **22,585,902** |

This statement should be read in conjunction with the notes to the financial statements.

## Consolidated Statement of Changes in Equity

For the year ended 31 December 2020

| | Share capital | Foreign currency translation reserve | Options reserve | Performance right reserve | Acquisition of NCI reserve | Accumulated losses | Non-Controlling interest | Total |
|---|---|---|---|---|---|---|---|---|
| | US$ | US$ | US$ | | US$ | US$ | US$ | US$ |
| **Balance as at 1 January 2019** | **32,673,175** | **(2,087,528)** | **11,781** | **2,752,040** | **(1,385,407)** | **(10,531,445)** | **(49,765)** | **21,382,851** |
| Loss for the year | - | - | - | - | - | (1,072,857) | (6,808) | **(1,079,665)** |
| Other comprehensive income | - | (323,169) | - | - | - | - | (1,945) | **(325,114)** |
| **Total comprehensive loss for the year** | **-** | **(323,169)** | **-** | **-** | **-** | **(1,072,857)** | **(8,753)** | **(1,404,779)** |
| *Transactions with owners in their capacity as owners:* | | | | | | | | |
| · issue of ordinary shares | 3,332,022 | - | - | - | - | - | - | **3,332,022** |
| · issue of performance rights | 70,758 | - | - | (783,169) | - | - | - | **(712,411)** |
| - expiration of performance rights | - | - | (11,781) | - | - | - | - | **(11,781)** |
| **Sub-total** | **3,402,780** | **-** | **(11,781)** | **(783,169)** | **-** | **-** | **-** | **2,607,830** |
| **Balance as at 31 December 2019** | **36,075,955** | **(2,410,697)** | **-** | **1,968,871** | **(1,385,407)** | **(11,604,302)** | **(58,518)** | **22,585,902** |
| Loss for the year | - | - | - | - | - | (2,804,809) | (7,477) | **(2,812,286)** |
| Other comprehensive income | - | 1,439,822 | - | - | - | - | 193 | **1,440,015** |
| **Total comprehensive income for the year** | **-** | **1,439,822** | **-** | **-** | **-** | **(2,804,809)** | **(7,284)** | **(1,372,271)** |
| *Transactions with owners in their capacity as owners:* | | | | | | | | |
| · issue of ordinary shares | 1,054,756 | - | - | - | - | - | - | **1,054,756** |
| - issue of performance rights | - | - | - | 681,903 | - | - | - | **681,903** |
| - issue of performance rights | - | - | - | (592,530) | - | - | - | **(592,530)** |
| **Sub-total** | **1,054,756** | **-** | **-** | **89,373** | **-** | **-** | **-** | **1,144,129** |
| **Balance as at 31 December 2020** | **37,130,711** | **(970,875)** | **-** | **2,058,244** | **(1,385,407)** | **(14,409,111)** | **(65,802)** | **22,357,760** |

This statement should be read in conjunction with the notes to the financial statements.

## Consolidated Statement of Cash Flows

For the year ended 31 December 2020

| | Note | 2020 US$ | 2019 US$ |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Payments to suppliers and employees | | (2,122,438) | (1,684,306) |
| Interest received | | 818 | 939 |
| **Net cash used in operating activities** | 16 | **(2,121,620)** | **(1,683,367)** |
| | | | |
| **Cash flows from investing activities** | | | |
| Purchase of property, plant and equipment | | (8,371) | (77,541) |
| Purchase of financial assets | | - | - |
| Purchase of intangible assets | | - | - |
| Payments for exploration and evaluation | | (1,208,428) | (2,473,488) |
| **Net cash used in investing activities** | | **(1,216,799)** | **(2,551,029)** |
| | | | |
| **Cash flows from financing activities** | | | |
| Proceeds from issue of shares | | 1,054,756 | 3,332,022 |
| Proceeds for convertible notes | | 3,000,000 | - |
| Repayment of Principal on Leases | | (85,923) | (65,836) |
| Interest on Lease | | (11,450) | (9,811) |
| **Net cash provided by financing activities** | | **3,957,383** | **3,256,375** |
| | | | |
| **Net change in cash and cash equivalents held** | | **618,964** | **(978,021)** |
| Cash and cash equivalents at beginning of financial year | | 217,953 | 1,047,649 |
| Effects of exchange rate changes on cash | | 31,357 | 148,326 |
| **Cash and cash equivalents at end of financial year** | 8 | **868,274** | **217,953** |

This statement should be read in conjunction with the notes to the financial statements.

## Notes to the Consolidated Financial Statements

### 1. Statement of significant accounting policies

The Directors' have prepared the general purpose financial statements of Genmin Limited (the "Company" or "Genmin") and its Controlled Entities (the "Group") in accordance with the requirements of the Corporations Act 2001, the Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. Compliance with the Australian Accounting Standards results in full compliance with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). Genmin is a for-profit entity for the purpose of preparing financial statements under Australian Accounting Standards.

Genmin is a company limited by shares, incorporated and domiciled in Australia. Genmin listed on the ASX on 10 March 2021. The financial statements have been presented in United States Dollars (US$).

### 1.1 Basis of preparation

The financial statements have been prepared on an accruals basis and are based on historical costs modified by the revaluation of selected non-current assets and financial instruments for which the fair value basis of accounting has been applied.

### 1.2 Basis of consolidation

The Group financial statements consolidate those of the parent Company and all its subsidiaries as of 31 December 2020. The parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary.

All transactions and balances between group companies are eliminated on consolidation, including unrealised gains and losses on transactions between group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's profit or loss and net assets that is not held by the Group. The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

### 1.3 Foreign currency translation

*Functional and presentation currencies*

The consolidated financial statements are presented in United States Dollars (USD).

The functional currency of the Group's subsidiaries in Gabon and Republic of the Congo is Central African CFA franc (XAF). Rest of the Group's subsidiaries and the parent company use USD as their functional currency.

*Transactions and balances*

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment in a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recognised in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item.

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, Genmin determines the transaction date for each payment or receipt of advance consideration.

*Consolidation*

On consolidation, the assets and liabilities of foreign operations are translated into USD at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at the average exchange rate for the period. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

## 1.4 Revenue

Revenue is measured at the fair value of the consideration received or receivable.

*Interest*

Interest income is recognised on an accrual basis using the effective interest method.

*Sale of assets*

Sale of assets is recognised when the Group has transferred to the buyer the significant risks and rewards of ownership.

## 1.5 Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the goods and service or at the date of their origin.

## 1.6 Income tax

The income tax expense / (revenue) for the year comprises current income tax expense / (income) based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company's subsidiaries operate and generate taxable income. The Board periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

A deferred tax liability in relation to investment property that is measured at fair value is determined assuming the property will be recovered entirely through sale. Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

## 1.7 Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

## 1.8 Property, plant and equipment

Property, plant and equipment are initially recognised at acquisition cost or manufacturing cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the Group's management.

Assets are subsequently measured using the cost model, cost less subsequent depreciation and impairment losses. Depreciation is recognised on a straight-line basis to write down the cost less estimated residual value of the assets. The following useful lives are applied:

- Plant & equipment: 3-5 years
- Office furniture and fittings: 4-5 years

Material residual value estimates and estimates of useful life are updated as required, but at least annually.

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss within other income or other expenses.

*Useful lives of depreciable assets*

Management reviews the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets to the Group. Actual results, however, may vary due to technical obsolescence, particularly relating to software and IT equipment. The effect of any changes in estimates are accounted for on a prospective basis.

*Impairment Testing of Property Plant & Equipment*

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

## 1.9 Exploration and evaluation expenditure

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

(a) the rights to tenure of the area of interest are current; and

(b) at least one of the following conditions is also met:

   (i) the exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; or

(ii) exploration and evaluation activities in the area of interest have not at the balance date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortisation of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (for the cash generating unit(s) to which it has been allocated being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any).

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision has been made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development.

### 1.10 Equity and reserves

Share capital represents the historical value of shares that have been issued. Any transaction costs associated with the issuing of shares are deducted from share capital.

- **Foreign currency translation reserve** – comprises foreign currency translation differences arising on the translation of financial statements of the Group's foreign entities into US Dollars.
- **Acquisition of non-controlling interest reserve** – comprises the amount of share capital issued by the Parent of the Group in order to acquire non-controlling interests in subsidiaries.
- **Options reserve** – comprises the amount of options issued in lieu of payment of costs incurred.
- **Performance right reserve** – comprises the amount of performance rights issued.

### 1.11 Employee benefits

*Share-based payment*

Employees (including directors) of the Group may receive remuneration (e.g. performance rights) in the form of share-based payments.

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation method.

That cost is recognised in employee benefits expense, together with a corresponding increase in equity (performance rights reserves), over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. At each reporting date, the Group revise its estimate of the number of equity instruments expected to vest as a result of the effect of non-market conditions. The expense or credit in the statement of profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

Cash-settled transactions

A liability is recognised for the fair value of cash-settled transactions. The fair value is measured initially and at each reporting date up to and including the settlement date, with changes in fair value recognised in employee benefits expense. The fair value is expensed over the period until the vesting date with recognition of a corresponding liability. The approach used to account for vesting conditions when measuring equity-settled transactions also applies to cash-settled transactions.

### 1.12 Provisions, contingent liabilities and contingent assets

Provisions for legal disputes, onerous contracts or other claims are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the Group and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

No liability is recognised if an outflow of economic resources as a result of present obligation is not probable. Such situations are disclosed as contingent liabilities, unless the outflow of resources is remote in which case no liability is recognised.

## 1.13 Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office or the relevant taxation jurisdiction that the Group operates in. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST if the GST is not recoverable.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

## 1.14 Impairment of non-financial assets

At each reporting date, the Group reviews the carrying values of non-financial assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

## 1.15 Financial instruments

*Initial Recognition and Measurement*

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instruments. For financial assets, this is equivalent to the date that the Company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instruments are classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

*Classification and Subsequent Measurement*

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. Fair value represents the price that would be received to sell an asset or paid to transfer a liability in orderly transaction between market participants at the measurement date. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted. These valuation techniques maximise, to the extent possible, the use of observable market data.

Amortised cost is calculated as (i) the amount at which the financial asset or financial liability is measured at initial recognition; (ii) less principal repayments; (iii) plus or minus the cumulative amortization of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and (iv) less any reduction for impairment.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliability predicted, the contractual term) of the financial instrument to the net carry amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss. The Group does not designate any interest in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial statements.

*(i) Financial assets at fair value through profit and loss or through other comprehensive Income*

Financial assets are classified at 'fair value through profit or loss' or 'Fair value through other comprehensive Income' when they are either held for trading for purposes of short term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss if electing to choose 'fair value through profit or loss' or other comprehensive income if electing 'Fair Value through other comprehensive income'.

*(ii) Financial Liabilities*

The Group's financial liabilities include trade and other payables, loan and borrowings, provisions for cash bonus and other liabilities which include deferred cash consideration and deferred equity consideration for acquisition of subsidiaries & associates.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, and payables, net of directly attributable transaction costs.

*Fair value*

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

*Derecognition*

Financial assets are derecognised where the contractual rights to receipts of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risk and benefits associated with the asset. Financial Liabilities are recognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

*Derivative financial instruments*

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The accounting for subsequent changes in fair value depends on the nature of the derivative and are recognised in the statement of profit or loss.

### 1.16 Significant management judgement in applying accounting policies

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

The following are significant management judgements in applying the accounting policies of the Group that have the most significant effect on the financial statements.

*Exploration and evaluation expenditure*

The Group capitalises exploration expenditure where it is considered likely to be recoverable or where the activities have not reached a stage which permits a reasonable assessment of the existence of resources or reserves. While there are certain areas of interest from which no reserves have been extracted, the directors are of the view that such expenditure should not be written off since feasibility studies in such areas have not yet concluded. In addition, the Group assesses impairment at the end of each reporting period by evaluating conditions and events specific to the Group, that may be indicative of impairment triggers.

*Performance Rights*

The Board of Directors review the performance rights on a regular basis to determine whether the conditions have been met; and to assess likelihood of the performance conditions being fulfilled. Once the review is completed, the Company makes the accounting adjustments to reflect the results from the review.

## 2. Going concern

The financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Group incurred a loss for the year of US$2,471,215 (2019: US$1,072,857), has net operating outflow of US$2,121,620 (2019: US$1,683,367) and a net current liability position of US$2,932,917 (2019: US$312,617).

The above is mitigated for the following reasons:

- Genmin completed the IPO and raised AUD30m on 10 March 2021;
- The directors have prepared a cash flow forecast, which indicates that the Company has sufficient funds to meet all commitments and working capital requirements for the next 12 months from the date of signing this financial report; and
- Given the Company's history of raising capital to date, the directors are reasonably confident of the Company's ability to raise additional funds as and when they are required.

## 3. Interests in subsidiaries

*Composition of the Group*

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries:

| Name of the Entity | Country of Incorporation | Ownership Interest | |
|---|---|---|---|
| | | 2020 | 2019 |
| Genmin Capital Pty Ltd | Australia | 100% | 100% |
| Genmin Metals Pty Ltd | Australia | 100% | 100% |
| Genmin Energy Pty Ltd | Australia | 100% | 100% |
| Genmin Manganese Pty Ltd | Australia | 100% | 100% |
| Afrika West Resources Pty Ltd | Australia | 100% | 100% |
| Genmin (Bermuda) Limited | Bermuda | 100% | 100% |
| Genmin Holdings Bermuda Limited | Bermuda | 100% | 100% |
| Genmin Iron Limited | Bermuda | 100% | 100% |
| Kbak Limited | Seychelles | 100% | 100% |
| Westmin Holdings Limited | Seychelles | 100% | 100% |
| Central African Resources Limited | Mauritius | 100% | 100% |
| Lebaye Minerals Limited | Mauritius | 100% | 100% |
| Potamon Limited | Isle of Man | 100% | 100% |
| Reminac SA | Gabon | 100% | 100% |
| Minconsol SA | Gabon | 100% | 100% |
| Azingo Gabon SA | Gabon | 100% | 100% |
| Afrique Resources SA | Gabon | 100% | 100% |
| Kimin Gabon SA | Gabon | 100% | 100% |
| Niari Holdings Limited | Seychelles | 88% | 88% |
| Genmin Congo SA | Republic of Congo | 88% | 88% |

## 4. Other income

| | 2020<br>US$ | 2019<br>US$ |
|---|---|---|
| Interest received | 818 | 939 |
| Miscellaneous income | 69,018 | - |
| **Total Other income** | **69,836** | **939** |

GENMIN

## 5. Director and employee expenses

### 5.1 Director and Employee expenses

| | Note | 2020 US$ | 2019 US$ |
|---|---|---|---|
| Salaries and wages | | 670,476 | 602,705 |
| Superannuation contributions | | 63,695 | 58,594 |
| Performance rights | 15.3 | 89,373 | (724,192) |
| Recruitment costs | | 193 | - |
| Director Fees | | 60,000 | 40,000 |
| Other | | 5,528 | 5,404 |
| **Total Director and employee expenses** | | **889,265** | **(17,489)** |

### 5.2 Pension and other employee obligations

| | 2020 US$ | 2019 US$ |
|---|---|---|
| Provisions for Annual Leave | 47,185 | 35,586 |
| Provisions for Long Service Leave | 30,975 | 18,147 |
| **Total Pension and other employee obligations** | **78,160** | **53,733** |

## 6. Auditors' remuneration

| | 2020 US$ | 2019 US$ |
|---|---|---|
| Auditors of Genmin Limited – Bentleys (WA) Pty Ltd | 54,947 | 36,315 |
| *Non-audit services - Bentleys (WA) Pty Ltd* | *38,219* | - |
| Auditors of Genmin Limited - Grant Thornton Audit Pty Ltd | - | 19,640 |
| *Non-audit services - Grant Thornton Audit Pty Ltd* | - | *13,721* |
| Auditors of Gabon subsidiaries - Delta Grant Thornton Gabon | 44,431 | 83,029 |
| *Non-audit services - Delta Grant Thornton Gabon* | *42,127* | *73,664* |
| Auditors of Gabon subsidiaries - ACN & Co | 15,158 | 15,009 |
| *Non-audit services - ACN & Co* | *7,536* | - |
| Auditors of Congo subsidiaries - GKM Audit & Conseil | 24,019 | 27,402 |
| *Non-audit services - GKM Audit & Conseil* | *26,798* | *21,849* |
| **Total Auditor's remuneration** | **253,235** | **290,628** |

| | 2020 US$ | 2019 US$ |
|---|---|---|
| Total audit services | 138,555 | 181,395 |
| *Total non-audit services* | *114,680* | *109,234* |
| **Total Auditor's remuneration** | **253,235** | **290,628** |
| | | |
| Non-audit percentage | 45.3% | 37.6% |

## 7. Taxation

### Reconciliation of income tax expense to prima facie tax payable

The prima facie tax payable on profit from ordinary activities before income tax is reconciled to the income tax expense as follows:

| | 2020<br>US$ | 2019<br>US$ |
|---|---|---|
| Loss before tax | (2,812,286) | (1,079,665) |
| Income tax benefit calculated at 30% (31 December 2019: 30%) | (843,686) | (323,900) |
| Add/(Less) | | |
| Tax effect of: | | |
| Non-deductable expenses | 151,404 | 89,477 |
| Non-assessable income | (20,705) | (217,258) |
| Temporary differences not recognised | 318,904 | 333,142 |
| Tax loss not recognised | 394,083 | 114,116 |
| Tax rate differential | - | 4,423 |
| **Total income tax expense** | **-** | **-** |
| **Deferred tax assets not recognised** | | |
| Provisions for employee entitlements | 56,332 | 26,421 |
| Capital expenditure | - | - |
| Unrealised foreign exchange losses | - | - |
| Tax losses | 1,041,897 | 935,021 |
| **Net deferred tax assets not recognised** | **1,098,229** | **961,442** |

Potential deferred tax assets attributable to tax losses have not been brought to account at 31 December 2020 because the directors do not believe it is appropriate to regard realisation of the deferred tax assets as probable at this time. These benefits will only be obtained if:

a) The company and the Group derive future assessable income of a nature and an amount sufficient to enable the benefit from the deductions for the losses to be realised;

b) The company and the Group continue to comply with the conditions for deductibility imposed by law; and

c) No changes in tax legislation adversely affect the ability of the Company and consolidated entity to realise these benefits.

## 8. Cash and cash equivalents

| | 2020<br>US$ | 2019<br>US$ |
|---|---|---|
| United States Dollar (USD) | 715,606 | 92,186 |
| Australian Dollar (AUD) | 73,395 | 62,662 |
| Central African Franc (XAF) | 79,273 | 63,105 |
| **Total Cash and cash equivalents** | **868,274** | **217,953** |

## 9. Trade and other receivables

| | 2020 US$ | 2019 US$ |
|---|---|---|
| GST Receivable | 38,796 | 10,311 |
| Deposits paid | 20,002 | 16,685 |
| Receivables | 18,700 | 17,100 |
| **Total Trade and other receivables** | **77,498** | **44,096** |

All amounts are short-term. The net carrying value of trade receivables is considered a reasonable approximation of fair value.

## 10. Property, plant and equipment

| | Plant & equipment | Office Furniture & Fittings | Total |
|---|---|---|---|
| **Balance at 31 December 2018** | **338,665** | **35,740** | **374,405** |
| Additions | 66,980 | 1,778 | 68,758 |
| Disposals | - | - | - |
| Depreciation Expense | (92,893) | (10,770) | (103,663) |
| FX translation | (7,016) | - | (7,016) |
| **Balance at 31 December 2019** | **305,735** | **26,748** | **332,483** |
| Additions | 8,371 | - | 8,371 |
| Disposals | - | - | - |
| Depreciation Expense | (114,494) | (8,353) | (122,847) |
| FX translation | 26,512 | 3,231 | 29,743 |
| **Balance at 31 December 2020** | **226,124** | **21,626** | **247,750** |

## 11. Exploration and evaluation assets

| | 2020 US$ | 2019 US$ |
|---|---|---|
| **Opening Balance** | 22,112,217 | 20,279,945 |
| Capitalised expenditure during the year | 1,411,643 | 2,308,118 |
| Impairment | (7,021) | (209,823) |
| FX translation | 1,394,028 | (266,023) |
| **Closing Balance** | **24,910,867** | **22,112,217** |

## 12. Intangible Assets

| | 2020 US$ | 2019 US$ |
|---|---|---|
| **Opening Balance** | 395,285 | 395,285 |
| Changes during the year | - | - |
| **Closing Balance** | **395,285** | **395,285** |

On 13 February 2017, Genmin Limited (**Genmin** or **Company**) entered into the Royalty Sale Agreement with Cape Lambert Resources Limited (**Cape Lambert**) to purchase the royalty rights under the Deferred Consideration Deed – Mayoko Iron Ore Project (**Deed**) for a total consideration of A$1,000,000.

The current owner of the Mayoko Iron Ore Project (**Mayoko Project**) is SAPRO Mayoko SA (**SAPRO**). The mining permit was granted on 9 August 2013.

Genmin is entitled to a royalty payment from the owner of the Mayoko Project of A$1.00 per dry metric tonne of iron ore product shipped from the Mayoko Project, which is escalated annually at CPI from a 2011 base date (**Mayoko Royalty**).

On 8 February 2018, Cape Lambert and Genmin agreed to vary the Royalty Sale Agreement and Genmin would pay the consideration in two tranches:

- Current Cash Payment: A$500,000 payable on completion and;
- Deferred Cash Payment: A$500,000 payable within 10 business days after receipt of first payment of the Mayoko Royalty.

As a result, Genmin classified the Mayoko Royalty as an Intangible Asset and booked it at cost of US$395,285 (A$500,000).

For the year ended 31 December 2020, the Mayoko Royalty payment condition has not yet been satisfied as the Mayoko Project has not achieved commercial production. The carrying amount of the Mayoko Royalty as at 31 December 2020 remains unchanged.

## 13. Leases

| Right of Use Assets | 2020 US$ | 2019 US$ |
|---|---|---|
| Properties (Office leases in Perth, Australia and Libreville, Gabon) | 74,180 | 117,560 |
| Office Equipment (Photocopiers) | 5,134 | 9,760 |
| **Total** | **79,314** | **127,320** |

| Lease Liability | 2020 US$ | 2019 US$ |
|---|---|---|
| Current lease liabilities | 73,536 | 60,788 |
| Non-current lease liabilities | 8,945 | 70,894 |
| **Total** | **82,481** | **131,682** |

## 14. Trade and other payables

All amounts are short-term and unsecured. The carrying values of trade payables and other payables are considered to be a reasonable approximation of fair value.

| | 2020 US$ | 2019 US$ |
|---|---|---|
| Trade and other payables | 336,308 | 137,893 |
| Accrued expenses | 353,650 | 157,048 |
| Employee provisions | 78,160 | 53,733 |
| Withholding tax payable | 7,561 | 231,356 |
| PAYG withholding payable | 39,843 | 17,285 |
| **Total Trade and other payables** | **815,522** | **597,315** |

## 15. Issued capital, options and reserves

### 15.1 Ordinary shares on issue

The share capital of Genmin Limited consists only of fully paid ordinary shares; the shares do not have a par value. All shares are equally eligible to receive dividends and the repayment of capital.

| | Date | No of shares | Value (US$) |
|---|---|---|---|
| **Opening balance** | **01-Jan-19** | **269,700,040** | **32,673,175** |
| Issue of shares (Chantilly Limited) | 14-Mar-19 | 40,309 | 6,046 |
| Issue of shares (Tembo/Ndovu Capital 1 BV) | 27-Mar-19 | 7,894,737 | 1,184,211 |
| Issue of shares (Mathieu Lacorde) | 03-Apr-19 | 250,000 | 70,758 |
| Issue of shares (Tembo/Ndovu Capital 1 BV) | 05-Jul-19 | 14,063,410 | 2,109,512 |
| Issue of shares (Fosters Stockbroking) | 05-Aug-19 | 500,000 | 14,080 |
| Issue of shares (Volk SVS Superannuation) | 27-Aug-19 | 560,000 | 15,149 |
| Issue of shares (Chantilly Limited) | 01-Oct-19 | 20,154 | 3,024 |
| **Closing balance** | **31-Dec-19** | **293,028,650** | **36,075,955** |
| | | | |
| **Opening balance** | **01-Jan-20** | **293,028,650** | **36,075,955** |
| Issue of shares (Tembo/Ndovu Capital 1 BV) | 15-Jan-20 | 7,031,705 | 1,054,756 |
| **Closing balance** | **31-Dec-20** | **300,060,355** | **37,130,711** |

### 15.2 Options

Options are issued and give the holder the right, but not the obligation, to subscribe for one fully paid ordinary share in the capital of the Company. These options are considered equity transactions and no value is placed on the early conversion or on the granting of additional options.

| | 2020 US$ | 2019 US$ |
|---|---|---|
| **Options** | | |
| At the beginning of the reporting period | 18,249,971 | 42,379,277 |
| Issued during the year | - | 11,539,304 |
| Exercised during the year | (7,031,705) | (23,078,610) |
| Lapsed during the year | (130,682) | (12,590,000) |

| | | |
|---|---|---|
| **At reporting date** | **11,087,584** | **18,249,971** |

| Grant Date | Expiry Date | Exercise Price | Number of Options |
|---|---|---|---|
| 1-Sep-12 | 14-Aug-22 | AUD0.04 | 8,200,000 |
| 7-Jun-17 | 6-Jun-22 | AUD0.04 | 124,403 |
| 23-May-16 | 30-Apr-21 | USD0.25 | 968,625 |
| 31-Jul-18 | 31-Jan-23 | USD0.15 | 1,254,479 |
| 5-Aug-19 | 31-Jul-24 | USD0.15 | 250,000 |
| 7-Aug-19 | 31-Jul-24 | USD0.15 | 280,000 |
| 1-Oct-19 | 31-Jul-24 | USD0.15 | 10,077 |
| | | | **11,087,584** |

## 15.3 Performance rights

The shareholders of Genmin approved the Incentive Performance Rights Plan (**Plan**) at the 2018 Annual General Meeting. Under the Plan, the Board of Directors of Genmin issued performance rights to the Eligible Participants including Genmin's directors and employees.

The vesting conditions of the issued performance rights are linked to the strategy and objectives of the Company.

At the discretion of the Board, all exercised performance rights can be settled by one ordinary share for every performance right or a cash payment.

The fair value at grant date of the performance rights was independently determined. The Board of Directors of Genmin regularly reviews and assesses the issued performance rights and the management makes appropriate accounting adjustments to reflect the results of the review and assessment.

**For the year ended 31 December 2020**

| Name | Options Granted | Vesting Conditions | Changes during the year |
|---|---|---|---|
| | 1,200,000 | Definition in total at the Baniaka and Baniaka West projects of >150Mt of DSO Inferred Mineral Resource, where DSO means Detrital/Channel iron deposits, Powder Ore and Intact Hematite Ore | |
| | 1,200,000 | Entering into substantive Rail and Port Infrastructure Agreements for the Baniaka Iron Ore Project | |
| **Joe Ariti** | 1,200,000 | Raising new equity at USD100million or greater valuation or an IPO at a pre-money valuation of USD100million | Lapsed |
| | 1,200,000 | Asset growth through the acquisition of key projects with significant value uplift (as determined by an independent party) | |
| | 1,200,000 | Shareholder exit whereby the Company is acquired for an amount in excess of USD200million is achieved | |

| Name | Options Granted | Vesting Conditions | Changes during the year |
|---|---|---|---|
| | 250,000 | After completion of 2 years of continual service with the Company | Vested |
| **Mathieu Lacorde** | 250,000 | Declaration of a maiden Inferred resource, within nine (9) months of the recommencement of field activities, at Bakoumba for prospects subject to auger drilling. | |
| | 250,000 | Declaration of a maiden Inferred (or better) oxide resource (POW/IHO) at Baniaka for Tsengue and Bingamba prospects by 31 March 2019 | Exercised not vested |

| Name | Options Granted | Vesting Conditions | Changes during the year |
|---|---|---|---|
| | 300,000 | Grant of a Mining Permit and entering into the Mining Convention for the Baniaka Iron Ore Project by 31 December 2021. | |
| **Patrick McCole** | 300,000 | Entering into substantive Rail and Port Infrastructure Agreements for the Baniaka Iron Ore Project by 30 June 2020. | Lapsed |
| | 300,000 | Raising new equity at USD100million or greater valuation or an IPO at a pre-money valuation of USD100million by 31 December 2020. | Lapsed |
| | 300,000 | Development, documentation and implementation of a Group Compliance Policy Manual by 31 December 2020. | Vested |

| Name | Options Granted | Vesting Conditions | Changes during the year |
|---|---|---|---|
| **Scott Thomson** | 85,000 | Completion of 2 years of continual service with the Company commencing 1 January 2020. | |
| | 82,500 | Development, documentation and implementation of a purchase requisitions and purchase order control systems across the Genmin Group by 30 June 2020. | Lapsed |
| | 82,500 | Evaluate and recommend to the Board of Directors, a management information system enabling efficient business forecasting and budgeting, and variance analysis by 31 December 2020. | Lapsed |

| Name | Options Granted | Vesting Conditions | Changes during the year |
|---|---|---|---|
| **Denise Hoskin** | 85,000 | Completion of 2 years of continual service with the Company commencing 1 January 2020. | |
| | 82,500 | Transition of new Auditors in Australia and Gabon, the completion of the Group 2019 and 2020 Audits within the statutory time periods in each relevant jurisdiction. | |
| | 82,500 | Development and documentation of a Group Accounting Policy Manual by 31 December 2020. | Vested |

| Name | Options Granted | Vesting Conditions | Changes during the year |
|---|---|---|---|
| **Andrea Corbett** | 50,000 | Completion of 2 years of continual service with the Company commencing 1 January 2020. | |
| | 50,000 | Development and documentation of an Office Management Policy Manual by 31 December 2020. | Vested |

| Name | Options Granted | Vesting Conditions | Changes during the year |
|---|---|---|---|
| Pietro Amico | 360,000 | Grant of a Mining Permit and entering into the Mining convention for the Baniaka Iron Ore Project by 31 December 2021. | Granted |
| | 480,000 | Building a brand name in Gabon and messaging to Government and other stakeholders of the Company's plans and programs and how best to implement to ensure the Company achieves its goals. The achievement of this condition will be subjectively assessed by the Board (other than the recipient and at its discretion) in December 2020.<br><br>*Note: In light of the Covid-19 travel restrictions, the Board of Genmin review the vesting conditions and changed the assessment date from December 2020 to "six months from the date that normal travel recommences in and out of Gabon". The Board assumes that the normal travel date is 1 July 2021.* | Granted and revised |
| | 360,000 | Assisting in achieving either: a project financing outcome once the Mining Permit is granted; or, an exit amount in excess of USD200 million for shareholders of the Company before 31 December 2021. | Granted |

***Numbers of the Performance Rights***

**For the year ended 31 December 2020**

| Grant Date | Expiry Date | Average Exercise Price | Fair Value at grant date | Options at beginning of the year | Granted during the year | Exercised (not vested) during the year | Forfeited during the year | Lapsed during the year | Balance at the year end | Vested during the year |
|---|---|---|---|---|---|---|---|---|---|---|
| 26/08/2018 | 25/08/2021 | Nil | $0.28 | 6,000,000 | - | - | - | (1,200,000) | 4,800,000 | - |
| 12/09/2018 | 11/09/2021 | Nil | $0.30 | 500,000 | - | - | - | - | 500,000 | 250,000 |
| 31/12/2019 | 30/12/2022 | Nil | $0.63 | 1,800,000 | - | - | - | (765,000) | 1,035,000 | 432,500 |
| 23/06/2020 | 22/06/2023 | Nil | $0.62 | - | 1,200,000 | - | - | - | 1,200,000 | |
| | | | **Total** | **8,300,000** | **1,200,000** | **-** | **-** | **(1,965,000)** | **7,535,000** | **682,500** |

**For the year ended 31 December 2019**

| Grant Date | Expiry Date | Average Exercise Price | Fair Value at Grant date | Options at beginning of the year | Granted during the year | Exercised (not vested) during the year | Forfeited during the year | Lapsed during the year | Balance at the Year End | Vested during the year |
|---|---|---|---|---|---|---|---|---|---|---|
| 26/08/2018 | 25/08/2021 | Nil | $0.28 | 8,400,000 | - | - | 2,400,000 | - | 6,000,000 | - |
| 12/09/2018 | 11/09/2021 | Nil | $0.30 | 750,000 | - | 250,000 | - | - | 500,000 | - |
| 31/12/2019 | 30/12/2022 | Nil | $0.63 | - | 1,800,000 | - | - | - | 1,800,000 | - |
| | | | **Total** | **9,150,000** | **1,800,000** | **250,000** | **2,400,000** | **-** | **8,300,000** | **-** |

### *Value of the Performance Rights Expensed*

**For the year ended 31 December 2020**

| Grant Date | Expiry Date | Average Exercise Price | Fair Value at Grant date | Options at beginning of the year | Issued during the year | Exercised during the year | Forfeited during the year | Lapsed during the year | Probability adjustment | Closing balance |
|---|---|---|---|---|---|---|---|---|---|---|
| 26/08/2018 | 25/08/2021 | Nil | $0.28 | 1,124,376 | - | - | - | (272,027) | (38,443) | 813,906 |
| 12/09/2018 | 11/09/2021 | Nil | $0.30 | 94,783 | - | - | - | - | 44,237 | 139,020 |
| 31/12/2019 | 30/12/2022 | Nil | $0.63 | 749,712 | - | - | - | (320,503) | 96,941 | 526,150 |
| 23/06/2020 | 22/06/2023 | Nil | $0.62 | - | 464,014 | - | - | - | 115,154 | 579,168 |
| | | | | **1,968,871** | **464,014** | **-** | **-** | **(592,530)** | **217,889** | **2,058,244** |

**For the year ended 31 December 2019**

| Grant Date | Expiry Date | Average Exercise Price | Fair Value at Grant date | Options at beginning of the year | Issued during the year | Exercised during the year | Forfeited during the year | Lapsed during the year | Probability adjustment | Closing balance |
|---|---|---|---|---|---|---|---|---|---|---|
| 26/08/2018 | 25/08/2021 | Nil | $0.28 | 2,538,910 | - | - | (725,400) | - | (689,134) | 1,124,376 |
| 12/09/2018 | 11/09/2021 | Nil | $0.30 | 213,130 | - | (70,758) | - | - | (47,589) | 94,783 |
| 31/12/2019 | 30/12/2022 | Nil | $0.63 | - | 749,712 | - | - | - | - | 749,712 |
| | | | | **2,752,040** | **749,712** | **(70,758)** | **(725,400)** | **-** | **(736,723)** | **1,968,871** |

## 15.4 Reserves

| | 2020 US$ | 2019 US$ |
|---|---|---|
| Performance rights reserve | (2,058,244) | (1,968,871) |
| Foreign currency translation reserve | 970,875 | 2,410,697 |
| Acquisition of NCI Reserve | 1,385,407 | 1,385,407 |
| Options Reserve reserves | - | - |
| **Balance as at 31 December 2020** | **298,038** | **1,827,233** |

## 16. Cash flow reconciliation

| | 2020 US$ | 2019 US$ |
|---|---|---|
| **Reconciliation of cash flows from operating activities** | | |
| Loss for the period | (2,812,286) | (1,079,665) |
| Non-cash flows in loss from ordinary activities | | |
| Changes in performance rights | 89,373 | (724,192) |
| Depreciation expense | 82,047 | 77,187 |
| Impairment on exploration assets | 7,021 | 209,823 |
| Loss on disposal of assets | - | - |
| Foreign currency (gain)/loss | 6,887 | (4,292) |
| Embedded derivative | 333,594 | - |
| Government Cash Flow Boost | 69,018 | - |
| Changes in assets and liabilities | | |
| (Increase)/decrease in receivables | (31,366) | 7,393 |
| Decrease/(increase) in prepayments | 3,499 | 7,025 |
| Increase/(decrease) in payables | 185,911 | (252,293) |
| Increase/(decrease) in Lease Liabilities | (55,318) | 75,647 |
| **Net cash flows used in operating activities** | **(2,121,620)** | **(1,683,367)** |

## 17. Convertible Notes

*Unsecured Debt*

On 1 May 2020, Genmin signed the Convertible Note Deed (**Deed**) with Tembo Capital Mining Fund LP (**Tembo**). The Deed was approved by Genmin's shareholders at the 2020 Annual General Meeting. The key terms of the Deed are as follows:

- Genmin to raise up to US$3m by issuing up to 30,000 unsecured convertible note to Tembo at a face value of US$100 each, convertible into fully paid ordinary shares of Genmin (**Facility**);
- An establishment fee of 2% and interest rate of 10% per annum is payable on the Facility;
- The Facility has a Maturity Date of 30 June 2021, and the Repayment Amount will be due and payable on 31 December 2021.
- Subject to certain regulatory approvals, Tembo may elect to convert the notes into conversion shares at the conversion price, which will equal or higher of:

- 100% subtract the 15% discount rate then multiplied by the price per share payable on the basis of the fair market value that is determined by an independent expert and;
- the floor price, which is US$0.15 per share.

Tembo retrospectively received the Foreign Investment Review Board (**FIRB**) approval of the Deed on 25 November 2020 and accordingly, Genmin recognised the embedded derivative. Prior to receiving the FIRB approval, Genmin treated the Facility as an unsecured debt.

Following Genmin's successful listing on the ASX, Tembo has converted the Facility into Genmin's ordinary shares per the Tembo Offer described in the Prospectus dated 9 February 2021 (see ASX announcement dated 9 March 2021).

| | 2020<br>US$ | 2019<br>US$ |
|---|---|---|
| Proceeds from issue of convertible notes | 3,000,000 | - |
| Embedded derivative | (583,789) | - |
| Embedded derivative - unwound | 333,594 | - |
| Establishment fee | (60,000) | - |
| Establishment fee – unwound | 34,286 | - |
| Interest expense | 99,370 | - |
| **Carrying amount of liability as at 31 December 2020** | **2,823,461** | **-** |

*Financial liability*

On the application of AASB 9 Financial Instruments, the Group accounts for convertible security financing on a present value basis and recognised the implicit value of the conversion rights granted. The conversion rights will be recognised as equity on the extinguishment of the convertible note for shares.

| | 2020<br>US$ | 2019<br>US$ |
|---|---|---|
| **Conversion rights** | 583,789 | **-** |

## 18. Related party disclosures

The related parties are defined as AASB 124 para. 9. A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

### 18.1 Transactions with key management personnel (incl. Executive Director)

| | 2020<br>US$ | 2019<br>US$ |
|---|---|---|
| **Transactions with key management personnel** | | |
| *Short-term employee benefits* | | |
| Salaries | 327,636 | 242,282 |
| Performance rights | (556,346) | (131,106) |
| **Total Short-term employee benefits** | **(228,710)** | **111,176** |

| | | |
|---|---|---|
| Long service leave | 21,219 | 14,711 |
| **Total other long-term benefits** | **21,219** | **14,711** |
| | | |
| Superannuation | 31,124 | 23,612 |
| **Total Post-employment benefits** | **31,124** | **23,612** |
| | | |
| **Total Remuneration** | **(176,367)** | **149,499** |

### 18.2 Transactions with non-executive directors

| | 2020<br>US$ | 2019<br>US$ |
|---|---|---|
| **Transactions with non-executive directors** | | |
| Professional services rendered | 60,000 | 76,258 |
| Performance rights | 579,168 | (725,400) |
| **Total Remuneration** | **639,168** | **(649,142)** |

### 18.3 Transactions with controlling shareholder

On 1 May 2020, Genmin signed the Convertible Note Deed (**Deed**) with Tembo Capital Mining Fund LP (**Tembo**). The Deed was approved by Genmin's shareholders at the 2020 Annual General Meeting. The key terms of the Deed are as follows:

- Genmin to raise up to US$3m by issuing up to 30,000 unsecured convertible note to Tembo at a face value of US$100 each, convertible into fully paid ordinary shares of Genmin (**Facility**);
- An establishment fee of 2% and interest rate of 10% per annum is payable on the Facility;
- The Facility has a Maturity Date of 30 June 2021, and the Repayment Amount will be due and payable on 31 December 2021.
- Subject to certain regulatory approvals, Tembo may elect to convert the notes into conversion shares at the conversion price, which will equal or higher of:
    - 100% subtract the 15% discount rate then multiplied by the price per share payable on the basis of the fair market value that is determined by an independent expert and;
    - the floor price, which is US$0.15 per share.

Tembo retrospectively received the Foreign Investment Review Board (**FIRB**) approval of the Deed on 25 November 2020 and accordingly, Genmin recognised the embedded derivative. Prior to receiving the FIRB approval, Genmin treated the Facility as an unsecured debt.

Following Genmin's successful listing on the ASX, Tembo has converted the Facility into Genmin's ordinary shares per the Tembo Offer described in the Prospectus dated 9 February 2021 (see ASX announcement dated 9 March 2021).

## 19. Earnings per share

| | 2020 US$ | 2019 US$ |
|---|---|---|
| **Earnings used in calculating earnings per share** | | |
| Earnings attributable to ordinary shareholders of the parent | **(2,804,809)** | (1,072,857) |
| **Weighted average number of shares** | **No. of shares** | No. of shares |
| Ordinary shares used in calculating basic earnings per share | **299,791,374** | 283,315,016 |
| Effect of dilution from options and performance rights | **20,370,195** | 38,811,621 |
| Ordinary shares used in calculating diluted earnings per share | **320,161,569** | 322,126,637 |
| **Earnings per share** | | |
| Basic Earnings per share | **(0.936) cent** | (0.379) cent |
| Diluted Earnings per share | **(0.876) cent** | (0.333) cent |

## 20. Commitments

*Exploration expenditure commitments*

Republic of Gabon prescribes minimum annual expenditure obligations for Exploration Licences. The Company expects it will be able to meet any expenditure obligations imposed for any of the Exploration Licences that it holds in the normal course of operations. If any expenditure obligations are not met, then the Company has the ability to request a waiver of these obligations or to negotiate amended obligations for the remaining term of the Exploration Licence or relinquish the Exploration Licence. The current total commitment over the next three years is around US$5.3m.

## 21. Financial instrument risk

### 21.1 Risk management objectives and policies

The Group's principal financial instruments comprise of cash. The main purpose of these financial instruments is to provide working capital for the Group and to fund its operations.

The Group does not actively engage in the trading of financial assets for speculative purposes. The most significant financial risks to which the Group is exposed are described below.

### 21.2 Liquidity risk

The Group manages liquidity risk by monitoring cash levels on an ongoing basis against budget and forecast cash flows. The Group's operations require it to raise capital to fund its exploration program.

### 21.3 Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the group. All cash balances held at banks are held at internationally recognised institutions.

### 21.4 Interest rate risk

The Group has minimal interest rate risk arising from cash and cash equivalents held as funds are held in USD and converted to AUD as required. Interest payable on USD deposits is negligible.

### 21.5 Foreign currency risk

As a result of the Group operating overseas (Gabon), the Group is exposed to foreign exchange risk from commercial transactions and recognised assets denominated in a currency that is not the Group's functional currency. The Group also has transactional currency exposures. Such exposure arises from purchases by an operating entity other than the Group's functional currency. The Group does not enter into forward foreign exchange contracts or any other forms of foreign currency protection instruments and does not have a hedging policy.

## 22. Fair value measurement

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: Unobservable inputs for the asset or liability.

The following table shows the levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis:

| | 2020<br>US$ | 2019<br>US$ |
|---|---|---|
| **Fair value measurement of financial instruments** | | |
| Financial assets held for sale – Level 1 | - | **58** |
| Embedded derivative - Convertible Note - Level 3 | 583,789 | **-** |
| **Total** | **583,789** | **58** |

The Financial asset held for sale is related to the investment in Symbol Mining (**Symbol**; ASX:SL1). On 13 June 2019, Symbol entered into voluntary administration. Genmin' management does not believe the investment in Symbol can be recovered and decided to write off the investment.

The Group has recognised a retrospective embedded derivative upon receiving FIRB approval on 25 November 2020 (see Note 17). Genmin commissioned an independent valuation consultant to provide an indicative share price for the purpose of the performance rights. Genmin used the same valuation methodology and parameters to calculate the value of the embedded derivative for accounting purposes.

In the absence of an active market for an identical liability, the Group has selected a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value.

An income approach has been used to convert estimated future cash flows into a single discounted present value. The derivative was subsequently remeasured at reporting date will not change in value.

## 23. Capital management

When managing capital, the Board's objective is to ensure the Group continues as a going concern as well as to maximise the returns to shareholders and benefits for other stakeholders. The Board also aims to maintain a capital structure that ensures the lowest cost of capital available to the entity.

The Board is constantly reviewing the capital structure to take advantage of favourable costs of capital or high return on assets. As the market is constantly changing, the Board may issue new shares, return capital to shareholders or sell assets.

## 24. Parent entity information

Information relating to Genmin Limited ("the Parent Entity"):

| | 2020<br>US$ | 2019<br>US$ |
|---|---|---|
| **Statement of Financial Position** | | |
| Current assets | 879,245 | 213,884 |
| Non-current assets | 24,298,478 | 22,526,718 |
| **Total assets** | **25,177,723** | **22,740,602** |
| Current liabilities | 3,518,097 | 136,869 |
| Non-current liabilities | - | **17,831** |
| **Total liabilities** | **3,518,097** | **154,700** |
| **Net assets** | **21,659,626** | **22,585,902** |
| Issued Capital | 37,130,711 | 36,075,955 |
| Reserves | 1,292,342 | 1,202,969 |
| Accumulated Losses | (16,763,427) | (14,693,022) |
| **Total Equity** | **21,659,626** | **22,585,902** |
| **Statement of profit or loss and other comprehensive income** | | |
| Loss for the year | **(1,959,227)** | **(4,044,420)** |
| Other comprehensive loss | - | - |
| **Total comprehensive loss** | **(1,959,227)** | **(4,044,420)** |

## 25. Segment Information

For management purposes, Genmin is organised into business units based on its geographical location and the nature of activities. Genmin has two business units and they are:

- Gabon Exploration and;
- Corporate.

**For the year ended 31 December 2020**

| | Corporate US$ | Gabon Exploration US$ | Consolidated Eliminations US$ | Total US$ |
|---|---|---|---|---|
| **Continuing operations** | | | | |
| Other income | 69,836 | - | - | 69,836 |
| **Total Other income** | **69,836** | **-** | **-** | **69,836** |
| Accounting and audit fees | (154,085) | (125,946) | - | (280,031) |
| Consultancy fees | (140,224) | - | - | (140,224) |
| Travel and accommodation | (18,749) | - | - | (18,749) |
| Corporate expenses | (214,063) | (18,247) | - | (232,310) |
| Director and employee expenses | (889,265) | - | - | (889,265) |
| Legal fees | (668,095) | (9,978) | - | (678,073) |
| Occupancy expenses | (22,389) | - | - | (22,389) |
| Depreciation expense | (32,583) | (49,464) | - | (82,047) |
| Interest Paid | (111,181) | (5,694) | - | (116,875) |
| Impairment | - | (7,021) | - | (7,021) |
| Provision for doubtful debt | - | (32,103) | - | (32,103) |
| Financial cost | (376,240) | (6,795) | - | (383,035) |
| **Loss before income tax** | **(2,557,038)** | **(255,248)** | **-** | **(2,812,286)** |
| Income Tax Expense | - | - | - | - |
| **Loss after income tax** | **(2,557,038)** | **(255,248)** | **-** | **(2,812,286)** |

**For the year ended 31 December 2019**

| | Corporate US$ | Gabon Exploration US$ | Consolidated Eliminations US$ | Total US$ |
|---|---|---|---|---|
| **Continuing operations** | | | | |
| Other income | 939 | - | - | 939 |
| **Total Other income** | **939** | **-** | **-** | **939** |
| Accounting and audit fees | (149,204) | (87,887) | - | (237,091) |
| Consultancy fees | (199,909) | - | - | (199,909) |
| Travel and accommodation | (76,991) | - | - | (76,991) |
| Corporate expenses | (189,188) | (11,574) | - | (200,762) |
| Director and employee expenses | 17,489 | - | - | 17,489 |
| Legal fees | (45,588) | (12,166) | - | (57,754) |
| Occupancy expenses | (18,485) | - | - | (18,485) |
| Depreciation expense | (39,790) | (37,397) | - | (77,187) |
| Interest paid | (3,233) | (6,578) | - | (9,811) |
| Impairment | (2,394) | (207,429) | - | (209,823) |
| Provision for doubtful debt | - | - | - | - |
| Financial cost | (9,550) | (730) | - | (10,280) |
| **Loss before income tax** | **(715,904)** | **(363,761)** | **-** | **(1,079,665)** |

GENMIN

## As at 31 December 2020

| | Corporate | Gabon Exploration | Consolidated Eliminations | Total |
|---|---|---|---|---|
| | US$ | US$ | US$ | US$ |
| **Assets** | | | | |
| **Current** | | | | |
| Cash and cash equivalents | 797,668 | 70,606 | - | 868,274 |
| Trade and other receivables | 72,080 | 5,418 | - | 77,498 |
| Financial assets | - | - | - | - |
| Prepayments | 36,562 | 47,463 | - | 84,025 |
| **Total current assets** | **906,310** | **123,487** | **-** | **1,029,797** |
| **Non-current** | | | | |
| Property, plant and equipment | 8,144 | 239,606 | - | 247,750 |
| Exploration and evaluation assets | 121,856 | 24,789,011 | - | 24,910,867 |
| Other Intangible Assets | 395,285 | - | - | 395,285 |
| Capital Work in Progress | - | - | - | - |
| Right of Use Asset | 17,778 | 61,536 | - | 79,314 |
| **Total non-current assets** | **543,063** | **25,090,153** | **-** | **25,633,216** |
| **Total assets** | **1,449,373** | **25,213,640** | **-** | **26,663,013** |
| **Liabilities** | | | | |
| **Current** | | | | |
| Trade and other payables | 496,162 | 319,360 | - | 815,522 |
| Lease Liabilities | 17,101 | 56,435 | - | 73,536 |
| Convertible Note | 2,823,460 | - | - | 2,823,460 |
| Embedded Derivative | 583,789 | - | - | 583,789 |
| **Current liabilities** | **3,920,512** | **375,795** | **-** | **4,296,307** |
| **Non-Current** | | | | |
| Lease Liabilities | - | 8,945 | - | 8,945 |
| **Non-Current liabilities** | **-** | **8,945** | **-** | **8,945** |
| **Total liabilities** | **3,920,512** | **384,740** | **-** | **4,305,252** |
| **Net assets** | **(2,471,139)** | **24,828,900** | **-** | **22,357,760** |

## As at 31 December 2019

| | Corporate US$ | Gabon Exploration US$ | Consolidated Eliminations US$ | Total US$ |
|---|---|---|---|---|
| **Assets** | | | | |
| **Current** | | | | |
| Cash and cash equivalents | 167,572 | 50,381 | - | 217,953 |
| Trade and other receivables | 40,680 | 3,416 | - | 44,096 |
| Financial assets | 58 | - | - | 58 |
| Prepayments | 35,168 | 48,211 | - | 83,379 |
| **Total current assets** | **243,478** | **102,008** | **-** | **345,486** |
| **Non-current** | | | | |
| Property, plant and equipment | 14,607 | 317,876 | - | 332,483 |
| Exploration and evaluation assets | 121,856 | 21,990,361 | - | 22,112,217 |
| Other Intangible Assets | 395,285 | - | - | 395,285 |
| Capital Work in Progress | - | 2,108 | - | 2,108 |
| Right of Use Asset | 40,762 | 86,558 | - | 127,320 |
| **Total non-current assets** | **572,510** | **22,396,903** | **-** | **22,969,413** |
| **Total assets** | **815,988** | **22,498,911** | **-** | **23,314,899** |
| **Liabilities** | | | | |
| **Current** | | | | |
| Trade and other payables | 134,472 | 462,843 | - | 597,315 |
| Lease Liabilities | 24,178 | 36,610 | - | 60,788 |
| Convertible Note | - | - | - | - |
| Embedded Derivative | - | - | - | - |
| **Current liabilities** | **158,650** | **499,453** | **-** | **658,103** |
| **Non-Current** | | | | |
| Lease Liabilities | 17,831 | 53,063 | - | 70,894 |
| Convertible Note | - | - | - | - |
| **Non-Current liabilities** | **17,831** | **53,063** | **-** | **70,894** |
| **Total liabilities** | **176,481** | **552,516** | **-** | **728,997** |
| **Net assets** | **639,507** | **21,946,395** | **-** | **22,585,902** |

## 26. Events after the reporting date

The following matters or circumstances have arisen since the end of the financial year which have affected or may affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

*Initial Public Offering (**IPO**)*

On 10 March 2021, Genmin completed the IPO as set out in the Prospectus dated 9 February 2021 and became an ASX-listed entity. The Company,

- raised A$30.0m (US$23.1m) by issuing 88,235,294 ordinary fully paid shares at an issue price of A$0.34 per share;
- issued 12,253,105 Shares to Ndovu Capital I.B.V (a subsidiary of Tembo Capital Mining Fund LP) at an issue price of A$0.34 per share in full conversion of the convertible notes issued under the Convertible Note Deed dated 1 May 2020 (being such number of shares as is equal to US$3,207,863 owing under the Convertible Note Deed);
- granted 5,000,000 options to the Joint Lead Managers of the IPO as part of the consideration of their services, the key terms of the options are:
  - Exercise Price: A$0.442
  - Grant Date: 8 March 2021
  - Expiry Date: 7 March 2026

*Board Structure*

On 10 March 2021, Mr Michael Arnett became a Director and the Chairman of the Board. Mr Brian van Rooyen became a Director and the Chair of the Audit and Risk Management Committee.

Both Mr Arnett and Mr van Rooyen are Independent Directors.

*Exploration Permits*

After the balance date, Genmin was notified by the government (Le Ministre du Petrole, du Gaz et des Mines) that the Baniaka West permit was renewed on 18 December 2020 for a further three years. For more information, please see Genmin's ASX announcement on 16 March 2020.

On 19 March 2021, Genmin lodged a three-year extension request for the Minvoul permit with the Mining Administration of Gabon.

## Directors' Declaration

The Directors of the Group declare that:

1. The financial statements and notes, as set out on pages 38 to 72, are in accordance with the *Corporations Act 2001*:

   a Comply with Accounting Standards as described in Note 1 to the financial statements, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

   b Give a true and fair view of the financial position as at 31 December 2020 and of the performance for the year ended on that date of the Group in accordance with the accounting policies described in Note 1 to the financial statements; and

2. There are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

3. This declaration has been made after receiving the declarations required to be made to the directors by the CEO and CFO in accordance with section 295A of the *Corporations Act 2001* for the year ended 31 December 2020.

This declaration is made in accordance with a resolution of the Board of Directors.

**Michael Arnett**
Chairman of the Board
30 March 2021

Bentleys
THINKING AHEAD

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# Independent Auditor's Report

## To the Members of Genmin Limited

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Genmin Limited ("the Company") and its subsidiaries ("the Group"), which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion:

a. the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

   (i) giving a true and fair view of the Group's financial position as at 31 December 2020 and of its financial performance for the year then ended; and

   (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

#### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<table>
<tr><th>Key Audit Matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>Exploration and evaluation assets<br><br>(Refer to Note 11)<br><br>The Company has capitalised exploration and evaluation assets of $24,910,867 as at 31 December 2020.<br><br>Exploration and evaluation assets is a key audit matter due to:<br><br>- The significance of the balance to the Group's financial position.<br>- The level of judgement required in evaluating management's application of the requirements of AASB 6 Exploration for and Evaluation of Mineral Resources ("AASB 6"). AASB 6 is an industry specific accounting standard requiring the application of significant judgements, estimates and industry knowledge. This includes specific requirements for expenditure to be capitalised as an asset and subsequent requirements which must be complied with for capitalised expenditure to continue to be carried as an asset.<br>- The assessment of impairment of exploration and evaluation expenditure being inherently difficult.</td><td>Our procedures included, amongst others:<br><br>- Assessing management's determination of its areas of interest for consistency with the definition in AASB 6. This involved analysing the tenements in which the Company holds an interest and the exploration programs planned for those tenements.<br>- For each area of interest, we assessed the Company's rights to tenure by corroborating to government registries and evaluating agreements in place with other parties as applicable.<br>- We considered the activities in each area of interest to date and assessed the planned future activities for each area of interest by evaluating budgets.<br>- Substantiated a sample of expenditure by agreeing to supporting documentation.<br>- We assessed each area of interest for one or more of the following circumstances that may indicate impairment of the capitalised expenditure:<br>  - the licenses for the right to explore expiring in the near future or are not expected to be renewed;<br>  - substantive expenditure for further exploration in the specific area is neither budgeted or planned<br>  - decision or intent by the Company to discontinue activities in the specific area of interest due to lack of commercially viable quantities of resources; and<br>  - data indicating that, although a development in the specific area is likely to proceed, the carrying amount of the exploration asset is unlikely to be recovered in full from successful development or sale.<br>- Examined the disclosures made in the financial report.</td></tr>
</table>

| Key Audit Matter | How our audit addressed the key audit matter |
| --- | --- |
| **Performance rights**<br><br>(Refer to Note 15)<br><br>During the year, the Company issued 1,200,000 performance rights.<br><br>Performance rights are considered to be key audit matter due to:<br>- The significance of the balance to the Group's financial position; and<br>- The level of judgement required in evaluating management's application of the requirements of AASB 2 *Share-based Payment*.<br>- | Our procedures included, amongst others:<br>- Analysing the terms and conditions of the performance rights and the relevant vesting conditions.<br>- Evaluated management's valuation methods and assessed the assumptions and inputs used.<br>- Assessed the amount recognised during the period against the relevant vesting conditions.<br>- Assessed the appropriateness of the disclosures included in the relevant notes to the financial statements. |
| **Borrowings**<br><br>(Refer to Note 17)<br><br>As disclosed in note 17, Genmin signed a Convertible Note Deed to raise up to USD$3 million by issuing up to 30,000 unsecured convertible notes at a face value of US$100 each convertible into fully paid ordinary shares.<br><br>Convertible notes are considered to be key audit matter due to:<br>- The significance of the balance to the Group's financial position; and<br>- Complexities involved in the recognition and measurement of convertible financial instruments and associated transaction costs. | Our procedures included, amongst others:<br>- Analysing the Convertible Note Deed to identify key terms and conditions of the convertible note.<br>- Verification of the funds received from the issue of the convertible notes during the year.<br>- Assessing the accounting treatment of the financial instrument in accordance with the recognition and measurement of the relevant Australian Accounting Standards.<br>- Evaluating management's valuation of the conversion rights and assessing the assumptions and inputs used.<br>- Assessing the calculation of the relevant amortisation of finance costs for the year.<br>- Assessed the appropriateness of the disclosures included in the relevant notes to the financial statements. |

## Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 December 2020, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state in accordance with Australian Accounting Standard *AASB 101 Presentation of Financial Statements*, that the financial report complies with International Financial Reporting Standards.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

## Auditor's Responsibilities for the Audit of the Financial Report

Our responsibility is to express an opinion on the financial report based on our audit. Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 31 December 2020. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with s 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

### Auditor's Opinion

In our opinion, the Remuneration Report of the Company, for the year ended 31 December 2020, complies with section 300A of the *Corporations Act 2001*.

**BENTLEYS**
**Chartered Accountants**

**CHRIS NICOLOFF** CA
**Partner**

Dated at Perth this 30th day of March 2021

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## ASX Additional Information

Additional information required by the ASX Limited Listing Rules not disclosed elsewhere in this Annual Report is set out below.

### 1. Shareholdings

The issued capital of the Group as at 22 March 2021 is 400,548,754 ordinary fully paid shares, of which 279,327,773 quoted on the ASX and 121,220,981 are unquoted.

All issued ordinary fully paid shares carry one vote per share.

#### *A .Ordinary Shares (GEN)*

| Range | Total holders | Units | % Units |
|---|---|---|---|
| 1 - 1,000 | 5 | 1,212 | 0.00 |
| 1,001 - 5,000 | 38 | 106,049 | 0.03 |
| 5,001 - 10,000 | 86 | 652,526 | 0.16 |
| 10,001 - 100,000 | 364 | 13,518,147 | 3.37 |
| 100,001 Over | 126 | 386,270,820 | 96.44 |
| Total | 619 | 400,548,754 | 100.00 |

#### *B. Unlisted Options*

OPTION EXPIRING 30-APR-2021 EX USD$0.25

| Range | Total holders | Units | % Units |
|---|---|---|---|
| 1 - 1,000 | 0 | 0 | 0 |
| 1,001 - 5,000 | 0 | 0 | 0 |
| 5,001 - 10,000 | 0 | 0 | 0 |
| 10,001 - 100,000 | 0 | 0 | 0 |
| 100,001 Over | 3 | 968,625 | 100 |
| Total | 3 | 968,625 | 100 |

OPTION EXPIRING 06-JUN-2022 EX AUD$0.04

| Range | Total holders | Units | % Units |
|---|---|---|---|
| 1 - 1,000 | 0 | 0 | 0 |
| 1,001 - 5,000 | 0 | 0 | 0 |
| 5,001 - 10,000 | 0 | 0 | 0 |
| 10,001 - 100,000 | 0 | 0 | 0 |
| 100,001 Over | 1 | 124,403 | 100 |
| Total | 1 | 124,403 | 100 |

OPTION EXPIRING 14-AUG-2022 EX $0.04

| Range | Total holders | Units | % Units |
|---|---|---|---|
| 1 - 1,000 | 0 | 0 | 0 |
| 1,001 - 5,000 | 0 | 0 | 0 |
| 5,001 - 10,000 | 0 | 0 | 0 |
| 10,001 - 100,000 | 0 | 0 | 0 |
| 100,001 Over | 4 | 8,200,000 | 100 |
| Total | 4 | 8,200,000 | 100 |

OPTION EXPIRING 31-JAN-2023 EX USD$0.15

| Range | Total holders | Units | % Units |
|---|---|---|---|
| 1 - 1,000 | 0 | 0 | 0 |
| 1,001 - 5,000 | 0 | 0 | 0 |
| 5,001 - 10,000 | 0 | 0 | 0 |
| 10,001 - 100,000 | 0 | 0 | 0 |
| 100,001 Over | 5 | 1,254,479 | 100 |
| Total | 5 | 1,254,479 | 100 |

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| OPTION EXPIRING 31-JUL-2024 EX USD$0.15 | | | |
|---|---|---|---|
| Range | Total holders | Units | % Units |
| 1 - 1,000 | 0 | 0 | 0 |
| 1,001 - 5,000 | 0 | 0 | 0 |
| 5,001 - 10,000 | 0 | 0 | 0 |
| 10,001 - 100,000 | 1 | 10,077 | 2 |
| 100,001 Over | 2 | 530,000 | 98 |
| Total | 4 | 540,077 | 100 |

| OPTION EXPIRING 07-MAR-2026 EX AUD$0.442 | | | |
|---|---|---|---|
| Range | Total holders | Units | % Units |
| 1 - 1,000 | 0 | 0 | 0 |
| 1,001 - 5,000 | 0 | 0 | 0 |
| 5,001 - 10,000 | 0 | 0 | 0 |
| 10,001 - 100,000 | 0 | 0 | 0 |
| 100,001 Over | 2 | 5,000,000 | 100 |
| Total | 2 | 5,000,000 | 100 |

### *C. Performance Rights*

| PERFORMANCE RIGHTS 25-AUG-2021 RESTRICTED | | | |
|---|---|---|---|
| Range | Total holders | Units | % Units |
| 1 - 1,000 | 0 | 0 | 0 |
| 1,001 - 5,000 | 0 | 0 | 0 |
| 5,001 - 10,000 | 0 | 0 | 0 |
| 10,001 - 100,000 | 0 | 0 | 0 |
| 100,001 Over | 1 | 4,800,000 | 100 |
| Total | 1 | 4,800,000 | 100 |

| PERFORMANCE RIGHTS EXPIRING 11-SEP-2021 | | | |
|---|---|---|---|
| Range | Total holders | Units | % Units |
| 1 - 1,000 | 0 | 0 | 0 |
| 1,001 - 5,000 | 0 | 0 | 0 |
| 5,001 - 10,000 | 0 | 0 | 0 |
| 10,001 - 100,000 | 0 | 0 | 0 |
| 100,001 Over | 1 | 500,000 | 100 |
| Total | 1 | 500,000 | 100 |

| PERFORMANCE RIGHTS EXPIRING 30-DEC-2022 | | | |
|---|---|---|---|
| Range | Total holders | Units | % Units |
| 1 - 1,000 | 0 | 0 | 0 |
| 1,001 - 5,000 | 0 | 0 | 0 |
| 5,001 - 10,000 | 0 | 0 | 0 |
| 10,001 - 100,000 | 1 | 85,000 | 8 |
| 100,001 Over | 3 | 950,000 | 92 |
| Total | 4 | 1,035,000 | 100 |

| PERFORMANCE RIGHTS 22-JUN-2023 RESTRICTED | | | |
|---|---|---|---|
| Range | Total holders | Units | % Units |
| 1 - 1,000 | 0 | 0 | 0 |
| 1,001 - 5,000 | 0 | 0 | 0 |
| 5,001 - 10,000 | 0 | 0 | 0 |
| 10,001 - 100,000 | 0 | 0 | 0 |
| 100,001 Over | 1 | 1,200,000 | 100 |
| Total | 1 | 1,200,000 | 100 |

## 2. Quoted Securities subject to Voluntary Escrow

There are 128,939,583 quoted fully paid ordinary shares that are subject to voluntary escrow until 10 March 2023, which are held by Ndovu Capital I B.V. (100%).

## 3. Unquoted Restricted Securities subject to Mandatory Escrow

There are 121,220,981 unquoted fully paid ordinary shares that are ASX restricted securities subject to escrow until 10 March 2023:

- There are 3 holders of 121,220,981 restricted securities subject to mandatory escrow of which 1 shareholder holds greater than 20%:
  - Ndovu Capital I B.V. holds 107,035,569 shares (88.3%).

There are 4,800,000 unlisted options with an exercise price AUD0.04, expiry 14 August 2022 that are ASX restricted securities subject to escrow until 10 March 2023.

There are 590,625 unlisted options with an exercise price USD0.25, expiry 30 April 2021 that are ASX restricted securities subject to escrow until 10 March 2023.

There are 124,403 unlisted options with an exercise price AUD0.04, expiry 6 June 2022 that are ASX restricted securities subject to escrow until 10 March 2023.

There are 4,800,000 unlisted performance rights, expiry 25 August 2021 that are ASX restricted securities subject to escrow until 10 March 2023.

There are 1,200,000 unlisted performance rights, expiry 22 June 2023 that are ASX restricted securities subject to escrow until 10 March 2023.

There are 250,000 unlisted options with an exercise price USD0.25, expiry 31 July 2024 that are ASX restricted securities subject to escrow until 10 March 2023.

There are 5,000,000 unlisted options with an exercise price AUD0.442, expiry 7 March 2026 that are ASX restricted securities subject to escrow until 10 March 2023:

- There are 2 holders of 5,000,000 restricted securities subject to mandatory escrow of which, the following option holders hold greater than 20%:
  - Foster Stockbroking Nominees Pty Ltd holds 2,500,000 options (50%); and
  - Bell Potter Nominees Ltd holds 2,500,000 options (50%).

## 4. Unquoted Security Holders

The following security holders hold greater than 20% in each of the following unquoted classes of securities:

- 4 holders of 8,200,000 unlisted options expiry 14 August 2022, of which the following option holders hold greater than 20%:
  - Giuseppe Ariti holds 4,800,000 options (50%); and
  - Shane Volk holds 1,940,000 options (24%).

- 1 holder of 124,403 unlisted options expiry 6 June 2022 of which 100% was held by Giuseppe Ariti.

- 3 holders of 968,625 unlisted options expiry 30 April 2021, of which the following option holders hold greater than 20%:

    - Giuseppe Ariti holds 590,625 options (61%); and
    - North Point Super Pty Ltd holds 236,250 options (24%).

- 3 holders of 540,007 unlisted options expiry 31 July 2024, of which the following option holders hold greater than 20%:

    - Shane Raymond Volk & Stephanie Vyatri Situmorang hold 280,000 options (52%) and
    - Foster Stockbroking Nominees Pty Ltd holds 250,000 options (46%).

- 5 holders of 1,254,479 unlisted options expiry 31 January 2023, of which the following option holders hold greater than 20%:

    - South Durras Pty Ltd hold 500,000 options (40%) and
    - Ralsten Pty Ltd holds 354,479 options (28%).

## 5. Unmarketable Parcels

As at 22 March 2021, there were 18 holders of less than a marketable parcel of ordinary shares.

## 6. Top 20 Shareholders

(GEN) As At 22 March 2021

| Rank | Name | Units | % |
|---|---|---|---|
| 1 | NDOVU CAPITAL I B V | 248,228,257 | 61.97 |
| 2 | GIUSEPPE VINCE ARITI | 13,038,808 | 3.26 |
| 3 | HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED | 10,408,827 | 2.60 |
| 4 | NATIONAL NOMINEES LIMITED | 10,138,232 | 2.53 |
| 5 | CS THIRD NOMINEES PTY LIMITED <HSBC CUST NOM AU LTD 13 A/C> | 9,862,958 | 2.46 |
| 6 | SANDINI PTY LTD <KARRATHA RIGGING UNIT A/C> | 7,352,941 | 1.84 |
| 7 | SOUTH DURRAS PTY LTD <SOUTH DURRAS A/C> | 5,735,000 | 1.43 |
| 8 | RALSTEN PTY LTD | 5,549,503 | 1.39 |
| 9 | CARJAY INVESTMENTS PTY LTD | 4,368,238 | 1.09 |
| 10 | HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2 | 3,760,222 | 0.94 |
| 11 | CS FOURTH NOMINEES PTY LIMITED <HSBC CUST NOM AU LTD 11 A/C> | 3,757,059 | 0.94 |
| 12 | OAM (MIDDLE EAST) LTD | 3,000,000 | 0.75 |
| 13 | MR SHANE RAYMOND VOLK | 2,893,405 | 0.72 |
| 14 | FOSTER STOCKBROKING NOMINEES PTY LTD <NO 1 A/C> | 2,500,000 | 0.62 |
| 14 | NATIONAL NOMINEES LIMITED <DB A/C> | 2,500,000 | 0.62 |
| 16 | MR PATRICK FRANK VEKEMANS | 2,323,000 | 0.58 |
| 17 | PRECISION OPPORTUNITIES FUND LTD <INVESTMENT A/C> | 2,175,000 | 0.54 |
| 18 | EMERALD CORPORATION PTY LTD <THE FR BLAKISTON NO2 A/C> | 2,000,000 | 0.50 |
| 18 | MR KENNETH JOSEPH HALL <HALL PARK A/C> | 2,000,000 | 0.50 |
| 20 | NORTHPOINT SUPER PTY LTD <NORTHPOINT SUPER FUND A/C> | 1,900,000 | 0.47 |
| **Totals: Top 20 holders of ORDINARY FULLY PAID SHARES (Total)** | | **343,491,450** | **85.76** |
| **Total Remaining Holders Balance** | | **57,057,304** | **14.24** |

## 7. Substantial Shareholders (As at 22 March 2021)

| Rank | Name | Units | % |
|---|---|---|---|
| 1 | GENMIN LIMITED | 250,160,564 | 62.45 |
| 2 | NDOVU CAPITAL I B V | 248,228,257 | 61.97 |

Note: Genmin Limited is deemed to have a substantial shareholder interest by virtue of being a party to the escrow restriction agreements that creates a technical relevant interest in its own shares. However, Genmin Limited has no right to acquire these shares or to control the voting rights attaching to these shares.

## 8. Group Cash and Assets

In accordance with Listing Rule 4.10.19, the Group confirms that it has been using the cash and assets it had acquired at the time of admission in a conservative manner that is consistent with its business objective and strategy in the time since admission.

## Tenement Report

| Licence Name | Licence Number | Registered Holder | Location | Genmin Interest (%) | Nature of interest |
|---|---|---|---|---|---|
| Baniaka | G2-537 | Reminac SA | Gabon | 100% | Registered owner |
| Baniaka West | G2-572 | Minconsol SA | Gabon | 100% | Registered owner |
| Bakoumba | G2-511 | Kimin Gabon SA | Gabon | 100% | Registered owner |
| Mafoungui | G7-535 | Reminac SA | Gabon | 100% | Registered owner |
| Minvoul | G9-512 | Azingo Gabon SA | Gabon | 100% | Registered owner |
| Bitam | G9-590 | Azingo Gabon SA | Gabon | 100% | Registered owner |