



GENMIN

ASX Announcement

12 January 2022

Third non-binding offtake MoU for 2Mtpa of iron ore signed

Highlights

- Genmin has signed a non-binding Memorandum of Understanding (**MoU**) with Jianlong Group (**Jianlong**) to sell and deliver 1.5million tonnes per annum (**Mtpa**) of Fines product and 0.5Mtpa of Lump product from Baniaka for a term of two (2) years.
- Jianlong is China's second largest privately owned iron and steel enterprise.
- In 2020, Jianlong was ranked number 8 and number 5 respectively in Global and Chinese crude steel production.
- During 2021, Jianlong commissioned China's first hydrogen-based iron production line, which uses hydrogen rather than coking coal to produce iron from iron ore.
- Genmin has now signed a total of three (3) non-binding Memoranda of Understanding (one with Jianlong, one with China Minmetals Corporation (**Minmetals**) and another with Changzhou Dongfang Special Steel (**CDSS**)) for 12Mt of Fines product and 4Mt of Lump products, in total 16Mt of iron ore products from Baniaka.

African iron ore explorer and developer, Genmin Limited (**Genmin** or the **Company**) (ASX: **GEN**) is pleased to advise that it has now entered into a third non-binding MoU for a potential offtake agreement for iron ore products from its 100% owned Baniaka Iron Ore Project (**Baniaka**), located in the Republic of Gabon, central West Africa (Figure 1).

The MoU is with Jianlong, China's second largest privately owned and vertically integrated iron and steel enterprise.

In 2020, Jianlong was ranked number 8 in Global crude steel production (approximately 36.5 million tonnes) and in the same year, was ranked number 5 inside China. For 2021, Jianlong had targeted crude steel production of more than 40 million tonnes.

In the first half of 2021, Jianlong commissioned China's first hydrogen-based steel making production line, which uses hydrogen rather than coking coal and blast furnace technology to produce iron from iron ore. Jianlong's goal is to completely replace carbon as a reduction agent in iron making.

Commenting on signing the MoU with Jianlong, Genmin's Managing Director and CEO, Joe Ariti said: "Genmin is excited about partnering with Jianlong, a Future Facing, Global top 10 crude steel producer. Whilst the initial project execution plan for Baniaka is to mine and export iron ore, we look forward to potentially exploring future commercial possibilities with Jianlong to decarbonise the steel making value chain by utilising on site hydrogen iron making. Baniaka ore processing and supporting infrastructure is planned to be powered from the nearby Grand Poubara hydro-electric plant by renewable energy, which is a key component to produce green hydrogen".

Genmin has now signed a total of three (3) non-binding Memoranda of Understanding (refer ASX announcement dated 15 December 2021 for details of the first two with Minmetals and CDSS), which are summarised in Table 1.

The total quantities set out in Table 1 are in line with the Baniaka Preliminary Feasibility Study (**PFS**) currently being completed by Genmin, which is assessing the development plan and economics for a bulk, open pit mining operation with proposed initial production of 5Mtpa of iron ore products, and subsequent expansion to 10Mtpa.

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Table 1: Summary of Signed Memoranda of Understanding

Entity	Iron Ore Products (Mtpa)			Term
	Fines	Lump	Total	
Jianlong	1.5	0.5	2.0	2 years
Minmetals	1.5	0.5	2.0	3 years
CDSS	1.5	0.5	2.0	3 years
Total	4.5	1.5	6.0	

In addition to building market awareness of the potential iron ore products from Baniaka and providing a first step in offtake agreements to underpin project development, the MoUs also inform to end user product requirements for the purpose of the PFS and thereby enable mine planning and scheduling to be optimised to achieve the respective ratios of Fines and Lump products.

The key terms of the MoU are set out below:

- The MoU is non-binding and Jianlong and Genmin will use all reasonable endeavours to enter into a legally binding offtake agreement by 30 June 2023 under which the Company will sell and deliver a total of 1.5Mtpa of Fines product and 0.5Mtpa of Lump product, and Jianlong will buy and take delivery of 1.5Mtpa of Fines product and 0.5Mtpa of Lump product from Baniaka for a term of two (2) years;
- Pricing of iron ore product will be determined by reference to the Platts Iron Ore Index, or another agreed price index; and
- Any legally binding agreement will be subject to standard conditions precedent for an offtake agreement of this nature, including receipt of all required approvals from government authorities and the commencement of commercial production at Baniaka.

This announcement has been approved by the Board of Directors of Genmin Limited.

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About GENMIN

Genmin Limited (ASX: GEN), is an ASX-listed African iron ore exploration and development company with a pipeline of projects in the Republic of Gabon, central West Africa. The Company has a 100% interest in three (3) projects comprising six (6) exploration licences covering approximately 5,270km².

Genmin’s Baniaka and Bakoumba projects are located in south-east Gabon near the provincial city of Franceville, where the Company has an extensive footprint and controls all acreage prospective for iron ore. The Baniaka and Bakoumba projects represent a potential iron ore hub with 2,450km² of landholding and 121km of iron mineralised strike with only 16% drill tested with diamond drilling.

Genmin’s flagship project, Baniaka, is at feasibility stage with defined JORC Code (2012 Edition) compliant Mineral Resources and is favourably situated adjacent to existing and operating bulk commodity transport and renewable energy infrastructure.

Gabon is a stable central West African country with a mining and oil production history dating back to the early 1960s. It is currently the second largest producer of manganese ore in the world and eighth largest crude oil producer in Africa.



Figure 1: Location map of Genmin’s iron ore projects in Gabon, central West Africa