



GENMIN

ASX Announcement

23 March 2022

Final value-in-use results confirm Baniaka products to attract price premiums

Baniaka Fines expected to command a significant 17% price premium, while Baniaka Lump to be priced in line with the market lump premium

Highlights

- Central South University has now completed the final component of the value-in-use work program, modelling pricing estimates for Baniaka Fines and Baniaka Lump
- The results imply a 17% premium for Baniaka Fines, with Baniaka Lump expected to be priced in line with the typical market lump premium, after adjusting for grade and strength qualities
- Production of Fines from Baniaka is expected to be in the order of 60% of total product
- A base valuation date of 22 February 2022 was selected using reference pricing from *MySteel*, an online pricing platform providing insights into the Chinese market
- A premium of US\$23.45 per dry metric tonne was estimated for Baniaka Fines, benchmarked to Pilbara Blend Fines, typically a 61.5% Fe Fines product trading at US\$135.05 per dry metric tonne on the valuation date, implying a price uplift of 17.4%, or price of US\$158.50 per dry metric tonne
- By using the same pricing model, Central South University estimated a Baniaka Lump premium of US\$10.85 per dry metric tonne, benchmarked to Pilbara Blend Lump, which was trading at US\$158.40 per dry metric tonne on the valuation date
- Central South University also applied a discount of 7.5% to the adjusted Baniaka Lump price to reflect a lower strength index in comparison to Pilbara Blend Lump, which resulted in a price approximately the same as Pilbara Blend Lump, US\$157.66 per dry metric tonne
- On the valuation date, the Platts IODEX Fines 62% Fe CFR North China benchmark price was US\$136.75 per dry metric tonne and the Lump premium 62.5% Fe was US\$0.3525 per percent Fe (dmtu)

African iron ore explorer and developer, Genmin Limited (**Genmin** or the **Company**) (ASX: GEN) is pleased to report the financial value-in-use (**VIU**) results for potential Fines and Lump iron ore products from its 100% owned Baniaka Iron Ore Project (**Baniaka**), located in the Republic of Gabon, central West Africa (Figure 1).

The Company has previously advised the market (refer ASX announcements dated 15 September 2021 and 9 December 2021) of initial results from the VIU work program undertaken at Central South University (**CSU**), located in Changsha, Hunan province, central south China. CSU is a globally recognised institution providing insights to

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Chinese steel mills regarding the VIU of new products entering the market. CSU has provided similar services to major iron ore producers including Fortescue Metals Group Ltd, Vale, BHP and Rio Tinto.

Managing Director and CEO, Mr Joe Ariti commented: “We are very pleased with the finalisation and outcomes from the value-in-use work program conducted by the highly reputable Central South University, which has independently verified the quality and iron making characteristics of the proposed Baniaka Fines and Lump products. Through this understanding, CSU has estimated the expected pricing for our iron ore products from Baniaka. Baniaka Fines is expected to command a considerable 17% price premium in the market, with Baniaka Lump priced in line with the market lump premium. Our Fines production is expected to be in the order of 60% of total product from Baniaka, and a premium of 17% will boost the revenue line of our project”.

Mr Ariti added: “These value impacts will inform the financial model for the Baniaka Preliminary Feasibility Study, which we are currently completing”.

The VIU work program typically follows a process of grade and chemical characterisation, physical testing for strength and evaluating metallurgical performance in iron making (Lump) or Sintering and iron making (Fines) (**Physical Characterisation**), and finally an estimate of the expected pricing premium or discount considering the Physical Characterisation.

The methodology adopted by CSU in estimating the pricing premium/discount was to consider the quality of the iron ore and the cost of smelting the iron ore (Sintering in the case of Fines and performance in the blast furnace for Sinter and Lump) to estimate the value impact. The value impact is then benchmarked to an existing product in the market. Pilbara Blend Fines (**PBF**) and Pilbara Blend Lump (**PBL**) were selected by CSU as the base price reference, with adjustment for Baniaka Fines and Baniaka Lump value impact. Table 1 shows a comparison of the key chemistry of Baniaka’s expected Fines and Lump products, with PBF and PBL.

Table 1: Comparison of Baniaka and Pilbara Blend Fines and Lump chemistry

Chemistry (%)	Fines		Lump	
	Baniaka	PBF	Baniaka	PBL
Fe	63.90	61.50	63.04	62.50
SiO ₂	2.54	3.70	3.07	3.00
Al ₂ O ₃	2.31	2.15	2.32	1.50
S	0.03	0.01	0.03	0.00
P	0.08	0.10	0.09	0.09
MgO	0.02	0.00	0.02	0.00
CaO	0.05	0.00	0.09	0.36
LOI	3.79	5.30	4.10	5.80

Note:

Source of PBF and PBL chemistry is from the CSU report dated 22 March 2022.

A valuation date of 22 February 2022 was selected by CSU with reference to *MySteel* for PBF and PBL pricing (refer Table 2).

Table 2: Reference Product Pricing

Product	Fe (%)	Reference Price (US\$/dmt)	Reference Date
PBF	61.5	135.05	22 Feb 2022
PBL	62.5	158.40	22 Feb 2022
Platts IODEX Fines	62.0	136.75	22 Feb 2022

The estimated value impacts (premium/discount) determined by CSU and implied pricing are summarised in Table 3.

Table 3: Summary VIU Determinations

Baniaka Product	Reference Price (US\$/dmt)	Premium (US\$/dmt)	Discount (US\$/dmt)	Implied Price (US\$/dmt)	Uplift (%)
Fines	135.05	23.45	-	158.50	17.4
Lump	158.40	10.85	(11.59)	157.66	-0.47

Baniaka Fines achieves a 17.4% uplift to benchmarked pricing resulting from its superior VIU qualities.

For Baniaka Lump, CSU applied a premium for chemistry and metallurgical performance, and a 7.5% discount relative to PBL, as Baniaka Lump had lesser strength qualities. This is a mine planning issue, which will be refined to remove the proposed discount. Nevertheless, Baniaka Lump is estimated to be priced in line with the market lump premium.

This announcement has been authorised 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.

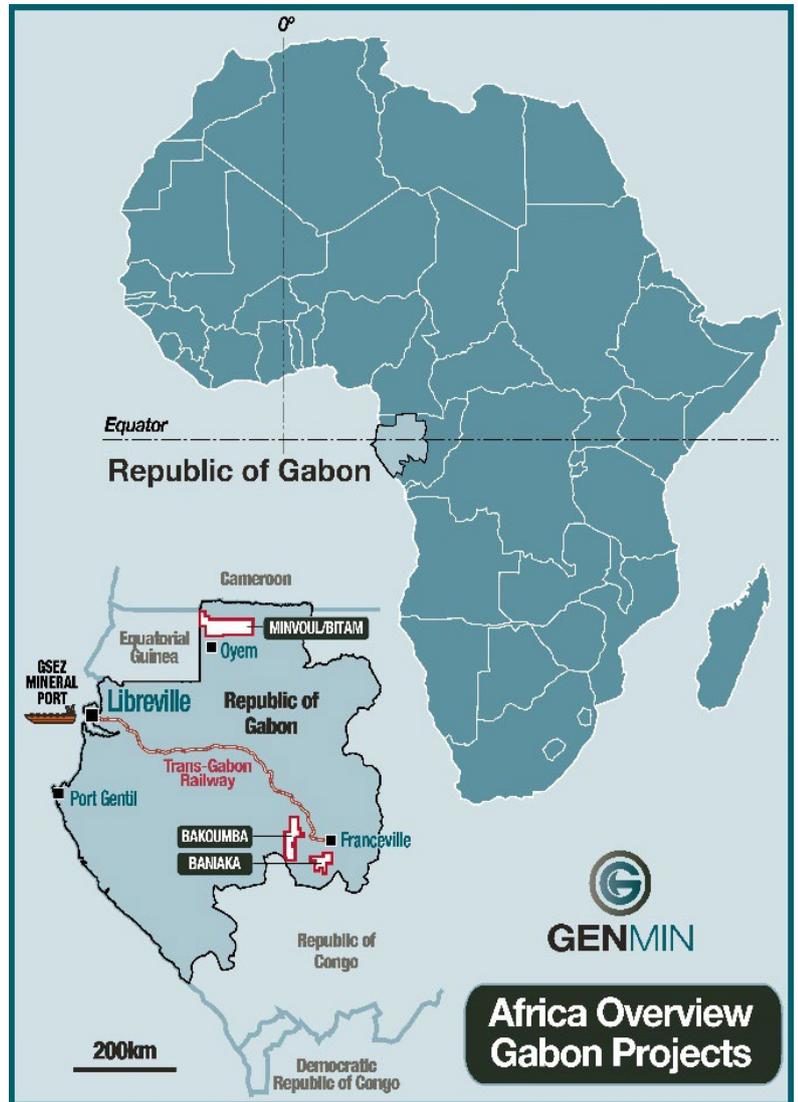


Figure 1: Location map of Genmin's iron ore projects in Gabon, central West Africa