



GENMIN

ASX Announcement

31 October 2022

# Quarterly Activities Report

**US\$10 million cash royalty payment received from Anglo American, and PFS to be released in early November 2022**

## Highlights

- Cash of US\$10 million received from Anglo American pursuant to the royalty agreement
- Baniaka Preliminary Feasibility Study expected to be released in early November 2022
- Managing Director increases stake in Genmin to 4.7%
- Baniaka and Bakoumba exploration licences extended for 6 years until 2028, Bitam exploration licence extended for a further 3 years to 2025, and Ntem exploration licence granted for 3 years
- 3,000m resource definition Auger drilling program underway at Bakoumba
- Gabon's Minister of Mines, the Honourable Elvis Ossindji visited Perth to meet with Genmin and attend Africa Down Under
- Cash at bank at the end of the quarter was approximately AU\$12 million

African iron ore explorer and developer Genmin Limited (**Genmin** or the **Company**) (ASX: GEN) is pleased to provide its Quarterly Activities Report for the period ended 30 September 2022 (**Quarter**).

Genmin's Managing Director and CEO Joe Ariti commented: "We are pleased to report on another landmark quarter for Genmin. Of significance was the receipt of US\$10 million in cash from Anglo American related to the royalty agreement, and the substantial completion of all workstreams for the preliminary feasibility study, enabling the results to be reported to the market in the near term."

"We continue to maintain our commanding 5,000km<sup>2</sup> land position in Gabon with Baniaka and Bakoumba exploration licences extended for six years, Bitam renewed for a further three years, and the Ntem exploration licence granted for an initial three-year period during the quarter".

He added: "We were delighted to welcome Minister Elvis Ossindji to Western Australia, and for him to attend and present at Africa Down Under with Genmin. The Minister's visit to Perth facilitated a series of meetings to discuss Baniaka, and it presented the opportunity for us to introduce him directly to some of our key investors, and for them to hear first-hand from the Minister on Gabon as an attractive investment destination".

## Projects

Genmin holds six (6) granted iron ore exploration licences in Gabon, west Central Africa, covering approximately 5,064km<sup>2</sup> (Figure 1). The 100% owned exploration licences form three (3) projects (Table 1).

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**Table 1: Genmin's Projects in Gabon**

Project Name	Status
Baniaka Iron Ore Project ( <b>Baniaka</b> )	Feasibility (pre-development) stage
Bakoumba Iron Ore Project ( <b>Bakoumba</b> )	Advanced exploration stage
Bitam Iron Ore Project ( <b>Bitam</b> )	Early exploration stage

## Baniaka

The principal focus of the Company's activities during the Quarter was at its flagship Baniaka project. Baniaka, located in south-east Gabon, comprises the Baniaka (G2-537, 774km<sup>2</sup>) and Baniaka West (G2-572, 107km<sup>2</sup>) exploration licences, covering a total area of 881km<sup>2</sup> (Figure 1). Baniaka is divided into 12 prospect areas at different levels of maturity (Figure 2).

During the Quarter, the Baniaka exploration licence was extended for a further six (6) years until 2028. Work continued on the social and environmental impact assessment (**SEIA**) and Preliminary Feasibility Study (**PFS**) in support of a large-scale Mining Licence application.

### Social and Environmental Impact Assessment

During the Quarter, local social and environmental consultant, TERA commenced a social engagement survey with the community and key local stakeholders in relation to the SEIA.

TEREA, and Flora, Fauna & Man Ecological Services Limited (**FFMES**) returned to Baniaka, supported by local environmental scientists from Gabon's Institut de Recherche en Ecologie Tropicale (**IRET**), to complete the wet season biodiversity baseline survey (Figures 4 & 5).

The Company completed 10 bore holes for ground water monitoring, and dust, air quality and surface water monitoring is ongoing.

The completion of both the dry and wet season biodiversity baseline and archaeology surveys, as well as the other ongoing monitoring, will allow for the completion of the SEIA for the end of 2022.

### Preliminary Feasibility Study

The PFS is assessing a bulk, open pit mining operation with initial production of 5 million tonnes per annum (**Mtpa**) of iron ore products, and provision for subsequent expansion to 10Mtpa. The PFS focuses on four (4) prospects - Bandjougoy, Tsengué, Flouflou, and Bingamba North (**PFS Prospects**) (Figure 2).

During the Quarter, finalisation of ore reserve estimates continued, with scenario and options analysis on the mine schedules for the PFS commencing.

At the end of the Quarter, the PFS workstreams were substantially completed with the mining study write-up outstanding. The Company expects to release the findings of the PFS in early November 2022.

### Hydroelectricity

During the Quarter, Genmin held formal discussions with Société de Patrimoine (**SdP**), the operator of the Grand Poubara Hydropower Station, to progress the current Memorandum of Understanding (**MoU**) for the supply of 30 Megawatts of renewable hydroelectricity for Baniaka, to a long form contract. The Company is targeting signing of the long form contract before the end of 2022.

### Rail and Port Services

Genmin received a commercial offer from the Owendo Mineral Port during the Quarter for the supply of rail and port services, including all necessary rolling stock, from the mine to ocean going vessel. The submission was broadly in-line with the existing MoU and is over a term of 15 years. Further to this submission, the parties have engaged to extend the commercial offering into a long form agreement.

## Resource Definition

### *Bingamba North*

Genmin commenced a 2,000m diamond drill program during the Quarter, targeting Oxide mineralisation at Bingamba North (Figure 2). The purpose of the program is to increase the geological confidence and allow the estimation of Mineral Resources in the Indicated reporting classification. The existing Oxide and Primary Mineral Resource achieved the Inferred classification of reporting confidence and was reported in the *“Independent Geologist’s Report on the Mineral Assets of Genmin Limited”* dated January 2021 (**IGR**) authored by SRK Consulting (Australasia) Pty Ltd. The IGR is included in the Company’s Prospectus dated 9 February 2021 (**Prospectus**). The completion of this work package is not required for the finalisation of the PFS.

### *Lendzoubi*

A program of approximately 1,200m of Auger drilling commenced at the Lendzoubi prospect (Figure 2), which follows up on encouraging reconnaissance Auger drilling from previous work programs that intersected detrital iron deposit (**DID**) mineralisation. The program has been designed to test 4km of strike potential out of a total strike length of 8.5km of banded iron formation (**BIF**) potential identified from geophysical and mapping compilations. The program also served to provide training for new personnel working at Bakoumba.

## Bakoumba

Bakoumba comprises the Bakoumba (G2-511, 1,029km<sup>2</sup>) and Mafoungui (G7-535, 535km<sup>2</sup>) exploration licences, which cover a total area of 1,564km<sup>2</sup>, and is located approximately 80km west of Baniaka (Figure 1).

During the Quarter, the Bakoumba exploration licence third term of validity was extended for a further six (6) years until 2028.

A maiden Auger drilling program commenced at Bakoumba during the Quarter. The program primarily targets DID mineralisation at the southern Koumbi and Lebombi North prospects (Figure 3), testing approximately 30% of the 36km of BIF strike length of Bakoumba. It will also provide information on the potential for Oxide mineralisation underlying the DID and assist in designing deeper drilling.

The Auger program comprises 210 shallow holes for circa 3,000m and is scheduled to take up to four (4) months, with completion expected in early Q1 2023. The drill spacing of 400m between sections and 50m between holes, subject to continuity, should support the estimation of a maiden DID Mineral Resource at Bakoumba, in Q2 2023.

Personnel were trained at Baniaka during the Quarter, before being deployed to Bakoumba for the start of the Auger drilling program using the Company’s two (2) V2000 Auger rigs.

Historical metallurgical test work conducted on bulk pit samples from both prospects showed DID material amenable to upgrade using a processing flowsheet similar to that proposed at Baniaka.

## Bitam (formerly Minvoul/Bitam)

Bitam comprises the Bitam (G9-590, 1,463km<sup>2</sup>) and Ntem (G9-485, 1,156km<sup>2</sup>) exploration licences covering a total area of 2,619km<sup>2</sup>, and is located in the north-west of Gabon (Figure 1).

During the Quarter, the Bitam exploration licence was renewed for a further three (3) years, until 2025 and new exploration licence, Ntem was granted. Ntem covers an area of 1,156km<sup>2</sup> and largely encompasses the land area covered by the Minvoul exploration licence, which expired during the Quarter.

Ntem enables the Company to explore for iron ore, gold, copper, silver and related metals, which is consistent with the contiguous Bitam licence.

Following the granting of Ntem, the Minvoul/Bitam project is renamed Bitam.

## Corporate

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### Royalty Agreement

On 7 July 2022, Genmin, through its wholly owned subsidiary Gabon Iron Ore Limited (**GIOL**), announced it had entered into a royalty agreement (**Agreement**) with Anglo American Marketing Limited, a wholly owned subsidiary of global mining major Anglo American plc (**Anglo American**) (LSE: AAL; JSE: AGL).

Anglo American has paid US\$10 million (AU\$14.5 million at 0.69 AU\$:US\$) to GIOL in consideration for the grant of a royalty on sales revenue (determined by reference to the Platts Iron Ore Index) received from the sale of the first 75Mt of iron ore products produced and sold from Baniaka. GIOL will have the option to buy back the royalty at any time at a price that delivers an agreed internal rate of return to Anglo American on the US\$10 million cash consideration.

Additionally, GIOL granted Anglo American an exclusivity period of 120-calendar days from the delivery of the Baniaka PFS to conduct confirmatory due diligence, and negotiate and agree legally binding documentation for the provision of up to US\$75 million of funding for Baniaka, and offtake for up to 100% of iron ore products from Baniaka.

Anglo American is a leading, global mining company with a portfolio of competitive, world class operations and a broad range of future development options. For more information about Anglo American refer to [www.angloamerican.com](http://www.angloamerican.com).

### Exercise of Options

During the Quarter, the Company's Managing Director and CEO, Mr Joe Ariti, exercised 4,800,000 options issued on 1 September 2012 with a strike price of AU\$0.04 (**Options**). The Options were due to expire on 14 August 2022 and shares issued to Mr Ariti as a result of the Options exercise are escrowed until 10 March 2023 in accordance with the ASX imposed mandatory escrow provisions.

Following the exercise, Mr Ariti's shareholding increased from 14,363,211 to 19,163,211 shares, representing 4.7% of Genmin's issued capital, and making him the second largest individual shareholder of the Company after Ndovu Capital.

### Government & Stakeholder Relations

In late August 2022, the Hon. Elvis Ossindji, Gabon's Minister of Mines, visited Western Australia for the first time to attend and present at the annual Africa Down Under (**ADU**) conference in Perth.

Following the Minister's presentation at ADU, Genmin's Managing Director & CEO, Mr Joe Ariti gave a detailed update on Baniaka. During his presentation, Mr Ariti released a new corporate video, which showcases Baniaka, and the key rail, port, and hydropower infrastructure already in place and with capacity to support iron ore production from Baniaka. The corporate video is available to view on Genmin's website.

Genmin held a series of meetings with Minister Ossindji, and the Gabonese delegation, which included senior members of the Ministry of Mines, President Ali Bongo's office, and other officials, during their time in Perth. Minister Ossindji attended an investor lunch hosted by the Gabon Mining Club founded by Genmin and Apollo Minerals Limited (ASX: AON), where he provided insights on the country as an attractive investment destination.

A senior delegation from SdP was also in Perth for ADU, and to meet with Genmin to progress the power MoU to a long form agreement.

### Changes in Capital Structure

The Company's capital structure effective 30 September 2022 is summarised in Table 2.

**Table 2: Capital Structure as of 30 September 2022**

Securities on issue	ASX Security Code	Number
Fully paid ordinary shares (quoted and unquoted)	GEN and GENAA	410,633,234
Unlisted Options @ US\$0.15 exp 31/01/23	GENAJ	1,254,479
Unlisted Options @ US\$0.15 exp 31/07/24	GENAM	280,000
Unlisted Options @ US\$0.15 exp 31/07/24 Restricted	GENAL	250,000
Unlisted Options @ AU\$0.442 exp 07/03/26 Restricted	GENAN	5,000,000
Performance Rights	GENAE	5,800,000
Performance Rights exp 25/05/25	GENAP	3,215,000
Performance Rights Restricted	GENAO	720,000

*Note: On 30 September 2022, there were 256,284,967 fully paid ordinary shares subject to escrow until 10 March 2023.*

On 28 July 2022, one (1) million Performance Rights lapsed due to their conditions becoming incapable of being satisfied.

On 4 August 2022, 4.8 million Options were exercised by the Company's Managing Director and CEO.

On 30 September 2022, Genmin had 523 shareholders, and 88.47% of the fully paid ordinary shares on issue were held by the top 20 shareholders.

## Compliance

### Related Party Transactions

In accordance with ASX Listing Rule 5.3.5, Table 3 provides a description and explanation of the payments made to related parties of the Company and their associates, which is included in the Appendix 5B for the Quarter.

**Table 3: Related Party Transactions**

Related Party	Description	Amount US\$
Directors	Fees	50,000
	Salary	53,072
	Superannuation	5,572
	Extra Exertion Fees	-
<b>Total</b>		<b>108,644</b>

### Cash Movement & Uses of Funds

During the Quarter, GIOL received US\$10 million from Anglo American pursuant to the royalty agreement (refer page 4 of this announcement).

Together with the funds raised through the Initial Public Offering in March 2021, the Company continues to invest in Baniaka beyond the scope of the Uses of Funds set out in the Prospectus. As a result, the Company is unable to continue to provide a comparison between the Uses of Funds stated in the Prospectus and actual spending in accordance with ASX Listing Rule 5.3.4.

During the Quarter, Genmin paid US\$3.55 million in direct expenditures for the Baniaka PFS and SEIA, Auger and diamond drilling, and also drilling preparation at Bakoumba. The payments for corporate overheads totalled around US\$1.40 million.

Furthermore, for the nine-month period ended 30 September 2022, the Company had a total negative FX movement of US\$1.83 million due to the exchange differences for Australian dollars the Company had at the beginning of the nine-month period. The US dollar has appreciated significantly during the nine-month period (from US\$0.726 to US\$0.649 for AU\$1.00), resulting in negative FX movements. Consequently, Genmin incurred a negative FX movement of US\$0.84 million for the Quarter.

## Licence Schedule

The Company's interests in exploration licences are summarised in Table 4.

**Table 4: Genmin's Exploration Licences in Gabon**

Exploration Licence	Registered Holder <sup>1</sup>	Location	Genmin interest	
			Start of Q3 2022	End of Q3 2022
G2-537 Baniaka	Reminac	Gabon	100%	100%
G2-572 Baniaka West	Reminac	Gabon	100%	100%
G2-511 Bakoumba	Kimin Gabon S.A.	Gabon	100%	100%
G7-535 Mafoungui	Reminac	Gabon	100%	100%
G9-512 Minvoul	Azingo Gabon S.A.	Gabon	100%	0%
G9-590 Bitam	Azingo Gabon S.A.	Gabon	100%	100%
G9-485 Ntem	Afrique Resources S.A	Gabon	0%	100%

Notes:

<sup>1</sup> *Reminac, Kimin Gabon S.A, Azingo Gabon S.A. and Afrique Resources S.A. are 100% owned subsidiaries of Genmin.*

During the Quarter:

- Baniaka and Bakoumba exploration licences were extended for six (6) years, expiring in 2028,
- Bitam exploration licence was renewed for three (3) years, expiring in 2025,
- New exploration licence application Ntem was granted for an initial term of three (3) years, expiring in 2025, and
- Minvoul exploration licence expired.

This announcement has been authorised by the Board of Directors of Genmin.

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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, west Central Africa. The Company has a 100% interest in three (3) projects comprising six (6) granted exploration licences covering approximately 5,064km<sup>2</sup>.

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 2,445km<sup>2</sup> of landholding and 121km of iron mineralised strike with only 13% 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.



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

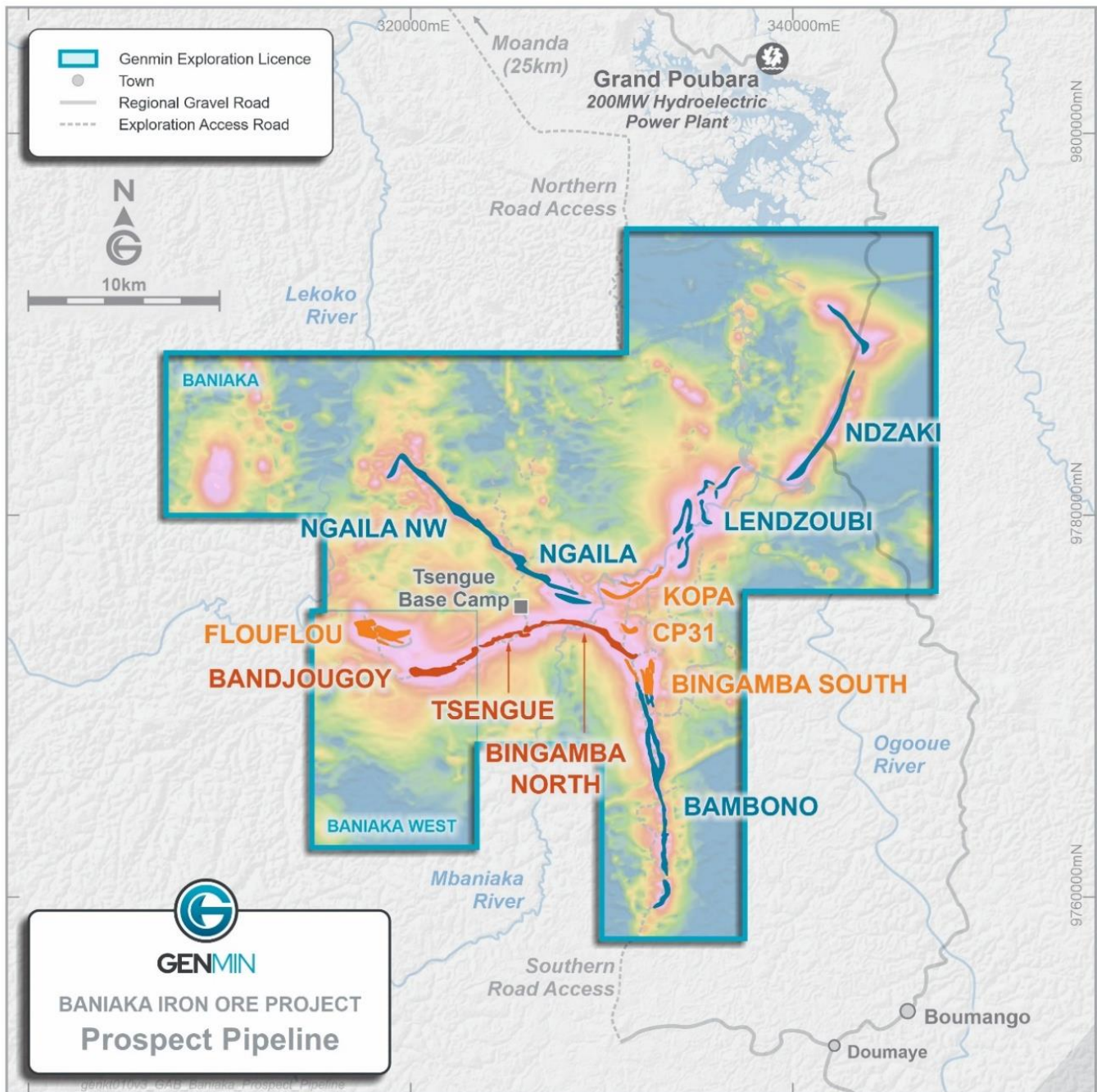


Figure 2: Major prospect locations and maturity

Notes:

1. Background image is Analytic Signal of gridded ground magnetic data overlain on airborne magnetic data
2. Coordinates are registered to the WGS84 Datum, UTM Zone 33 South projection
3. Prospects shown in Red have DID, Oxide and Primary Mineral Resources (**MR**), in Orange DID MR only, and in Blue no MR



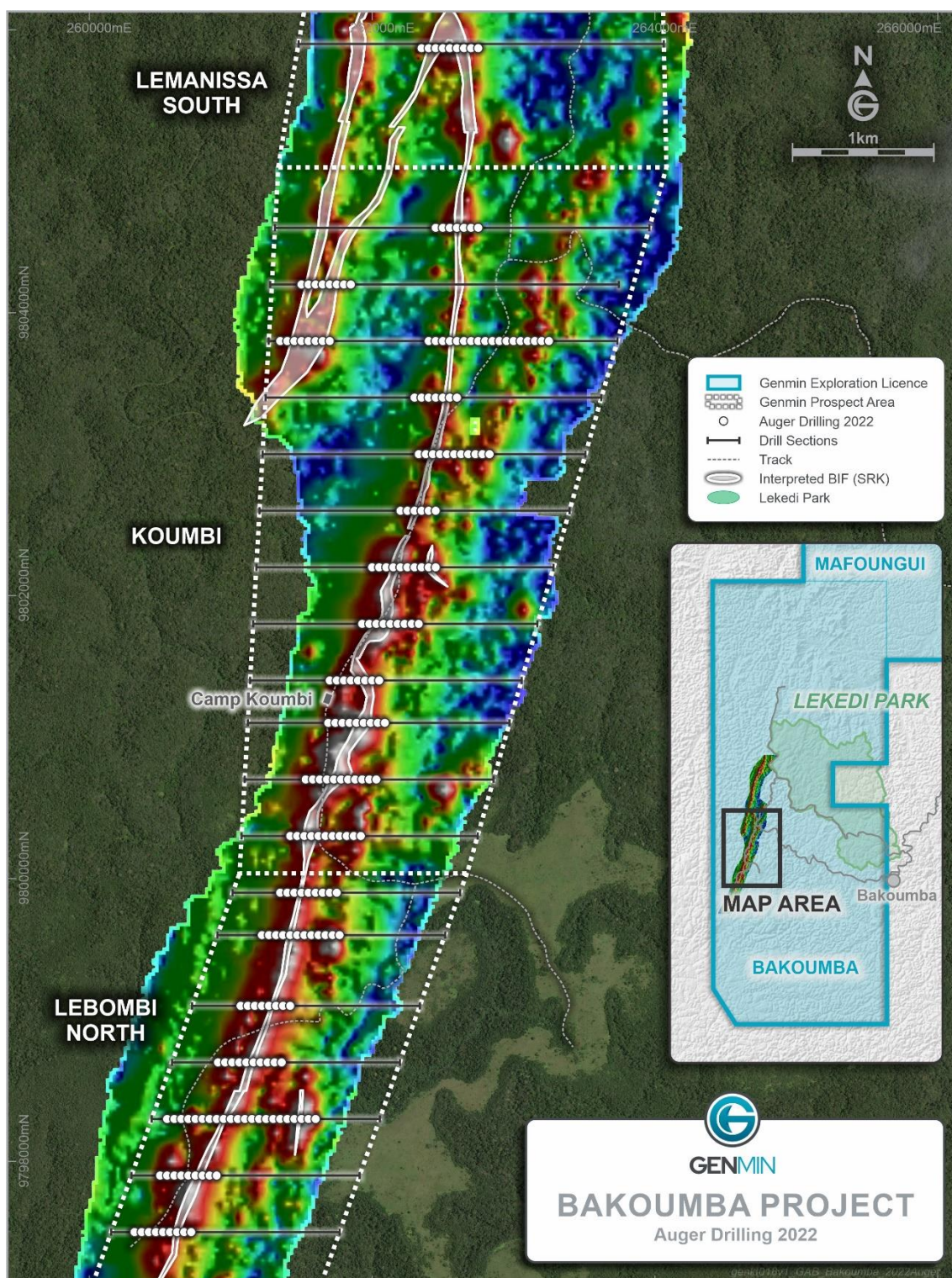


Figure 3: Bakoumba Auger drilling program





**Figure 4: Local environmental scientist from IRET, working on samples from the wet season biodiversity survey**



**Figure 5: Members of FFMES & IRET, in the field during the wet season biodiversity survey**