



GENMIN

ASX Announcement

27 January 2023

Quarterly Activities Report

Positive PFS for scalable 5Mtpa mining operation at Baniaka with after tax NPV₍₈₎ and IRR of AU\$600 million and 38% respectively, at US\$97 per dmt iron ore price

Highlights

- Positive Preliminary Feasibility Study greenlights starter 5 million tonnes per annum mining operation at Baniaka, with first production targeted for mid-2024
- Mining Permit application expected to be submitted in Q1 2023 following finalisation of the social and environmental impact assessment
- AU\$7.9 million raised from a successful Placement of 39.5 million new ordinary shares, at an issue price of AU\$0.20 per new share, to existing and new institutional, sophisticated and professional investors
- Approximately 2,400m of diamond infill drilling and 1,300m of Auger resource definition drilling completed at Baniaka in support of increasing project scale from 5 to 10 million tonnes per annum
- Maiden 3,000m DID resource definition Auger drilling program commenced at Bakoumba iron ore project
- Dennis Wilkins appointed as Company Secretary
- Cash at bank at the end of the quarter was approximately AU\$10.8 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 31 December 2022 (**Quarter**).

Genmin's Managing Director and CEO Joe Ariti commented: "The positive outcomes of the Baniaka PFS and completion of the successful Placement to existing and new shareholders was a terrific end to an extremely productive year for Genmin, and provides a solid foundation for development activities in 2023."

"We are now focused on achieving first production in mid-2024 through submission of a mining permit application, signing the long form rail & port, and power agreements, as well as supporting Anglo American to finalise its due diligence in respect of project financing. In addition, several pre-development work streams have been advanced including the detailed design of the processing facility".

Projects

Genmin holds six (6) granted iron ore exploration licences in Gabon, west Central Africa, covering approximately 5,064km² (Figure 1). The 100% owned exploration licences form three (3) projects (Table 1).

Table 1: Genmin's iron ore projects in Gabon

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

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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, 774km²) and Baniaka West (G2-572, 107km²) exploration licences, covering a total area of 881km² (refer Figure 1). Baniaka has a defined cumulative strike length of 85km of iron mineralisation, divided into 12 prospect areas at different levels of maturity (refer Figure 2). To date, a global Mineral Resource estimate (**MRE**) of 760 million tonnes (**Mt**) has been defined at Baniaka¹, and approximately 80% of the strike extent remains undrilled.

Mining Permit Application

Genmin is currently preparing a Mining Permit application (**MPA**) for Baniaka. The MPA is supported by technical and commercial feasibility studies together with a social and environmental impact assessment (**SEIA**). With these work streams almost complete, the Company anticipates submission of the MPA by the end of Q1 2023.

Preliminary Feasibility Study

On 16 November 2022, Genmin released the positive results of the Baniaka Preliminary Feasibility Study¹ (**PFS**) to the market. The results of the PFS show significant shareholder and stakeholder value can be realised with the development of a scalable 5Mt per annum (**Mtpa**) mining operation at Baniaka, whilst maintaining a strong focus on environmental, social and governance (**ESG**) matters.

A low capital intensity of US\$40 per annualised production tonne results in an estimated 38% after tax IRR for an initial 10-year mine life. The compelling financial metrics, modest initial capital investment, operation powered by hydroelectricity, and existing rail and port infrastructure show the initial phase of monetising the province scale Baniaka asset is highly feasible.

The PFS also shows potential for significant, further value to be unlocked through resource growth and exploration upside at Baniaka.

Scope

The PFS includes four (4) of the 12 prospect areas at Baniaka (**PFS Prospects**) (refer Figure 2 and Table 2). The ore types of each PFS Prospect included in the PFS are also shown in Table 2.

The lower mineralised horizons at the PFS Prospects, the other prospects at Baniaka, together with Genmin's portfolio of additional mineral assets in Gabon, offer longer term opportunities for iron and base metals exploration and development, and were excluded from the PFS.

Table 2: Ore types included for each PFS Prospect

PFS Prospects	Ore Type
Flouflou	Detrital iron deposits (DID)
Bandjougoy	DID and Soft Oxide (SO)
Tsengué	DID and SO
Bingamba North	DID

¹ The Mineral Resource, Ore Reserve, Production Targets and forecast financial information derived from Production Targets for Baniaka were presented in an announcement released on 16 November 2022 titled "Positive Baniaka PFS", which is available to view at www.genminigroup.com/investors/asx-announcements.

Outcomes

The PFS concluded:

- Baniaka is amenable to the development of a scalable 5Mtpa truck and shovel, shallow, free dig contract open pit mining operation, over an initial 10-year mine life underpinned by a Maiden Probable Ore Reserve estimate of approximately 100Mt².
- Run-of-Mine ore can be beneficiated through a simple, low risk wet ore treatment flowsheet comprising scrubbing, screening, and gravity separation.
- Leveraging access to existing regional hydropower, rail and port infrastructure results in a modest initial capital investment of approximately US\$200 million, equivalent to a capital intensity of approximately US\$40 per dry metric tonne (**dmt**) of product, and a payback period of less than three (3) years.
- Ranking several connecting transport scenarios (truck haulage and rail spur, either Company or third party financed) through impact on value showed, at 5Mtpa, road haulage to a new purpose built load out rail terminal located near Franceville was the best outcome, giving an ungeared, 100% ownership Pre-Tax NPV (8%) of US\$610 million (AU\$938 million) and a Post-Tax Project NPV (8%) of US\$391 million (AU\$601 million).
- C1 operating costs are estimated at approximately US\$59 per dmt of product shipped at 5Mtpa.
- Committing additional capital to fund and fully own a new rail load out facility near Franceville and the proposed overhead transmission line from the Grand Poubara Hydropower Station (**Grand Poubara**) is strategically important, enabling the Company to control and leverage key infrastructure in the region.

Financial and Performance Metrics

The estimated financial metrics for the selected development scenario are presented in Table 3 and the key performance metrics are presented in Table 4. The life of mine (**LOM**) cashflows are presented in Figure 3.

Table 3: Financial metrics

Item	Unit	Value
RADR	%	8.0
NPV Pre-Tax	US\$M (AU\$M*)	610 (938)
NPV Post Tax	US\$M (AU\$M*)	391 (601)
Pre-Tax IRR	%	45.0
Post-Tax IRR	%	38.0
Post-Tax Payback Period	Years	2.7

* Converted to Australian dollars at a USD:AUD foreign exchange spot rate of 0.65.

The PFS was based on time variable iron ore pricing (62% Fe Fines CFR North China) ranging from US\$87 per dmt in 2024 and US\$108 per dmt in 2035, averaging US\$97 per dmt over that period.

² The Mineral Resource, Ore Reserve, Production Targets and forecast financial information derived from Production Targets for Baniaka were presented in an announcement released on 16 November 2022 titled "Positive Baniaka PFS", which is available to view at www.genminigroup.com/investors/asx-announcements.

Table 4: Key performance metrics

Item	Unit	LOM Total / Average
EBITDA	US\$M	1,448
EBT	US\$M	1,177
NPAT	US\$M	772
C1 Costs	US\$ / dmt product	59
C2 Costs	US\$ / dmt product	64
C3 Costs	US\$ / dmt product	70
AISC	US\$ / dmt product	67

Probabilistic sensitivity analyses undertaken using Monte Carlo simulations showed that Baniaka's NPV is most sensitive to the long-term spot iron ore price, logistics costs, and steady state Fines production (refer Figure 4). The NPV is not sensitive to the capital cost estimate.

Opportunities to enhance returns from Baniaka include selling a separate Pellet Feed product rather than blending it back into the Fines product, increasing scale to 10Mtpa to reduce C1 cash cost through realisation of economies of scale in respect of rail, port, and transshipment costs, and producing only Fines to maximise resource value by removing the pricing volatility in the Lump premium. The detailed design of the processing facility has included the flexibility to crush all Lump production to Fines, either continually or during seasonal periods of low Lump premium.

A future facing opportunity is to work with the potential offtake partner to develop a greener iron ore premium in those markets more mature in reducing Scope 1 and Scope 3 carbon emissions.

Next Steps

Given these favourable PFS results, rather than complete a definitive feasibility study, Genmin has immediately progressed to pre-development activities at Baniaka by focusing on procuring permits and approvals, commencing long lead project delivery activities and, concurrently, completing a series of optimisations studies to realise more value, including:

- Completion and submission of the SEIA in support of the MPA.
- Commencement of detailed design and engineering of the processing facility.
- Design of the permanent accommodation village.
- Completion of value in use (**VIU**) test work on Baniaka Pellet Feed product to allow the development of a price protocol for this material, which is currently priced in the PFS with no VIU adjustment.
- Improving the sophistication of the geometallurgical model to provide greater alignment with product grades and yields achieved in the test work by Bond Equipment Pty Ltd (**Bond**) in Klerksdorp, South Africa.
- Optimisation of the mine schedule to minimise ex-pit material movements and smooth the LOM grade profile.

Social and Environmental Impact Assessment

During the Quarter, environmental consultants TERA, and Flora, Fauna & Man Ecological Services Limited, supported by local environmental scientists from Gabon's Institut de Recherche en Ecologie Tropicale, completed the wet season biodiversity and social engagement surveys, and public consultations.

The completion of these surveys and studies during the Quarter has allowed the Company to progress with its SEIA submission, which is scheduled to be finalised in Q1 2023.

Community Development

Boumango Medical Centre

Baniaka borders three (3) departments within the Haut-Ogooué province, including Ogooué-Létili department (**Ogooué-Létili**) where the village of Boumango is located, approximately 30km south-east of Baniaka (refer Figure 2).

During consultation with the local community, refurbishment of the multi-building Boumango Medical Centre was identified as a priority ESG project within Ogooué-Létili. The centre's two (2) primary buildings, the medical station and infant nursery, were dilapidated and rendered unusable for the provision of basic health services in the community.

Genmin commenced a detailed refurbishment program in November 2022 designed to fully renovate the medical station and infant nursery buildings (refer Figure 5 and Figure 6). The structures were stripped back to foundations to facilitate all new works including roofing and guttering, electrical distribution, ablution and septic tank system, doors, windows, floor and wall tiling, air-conditioning, painting, and concrete repairs.

The Gabon Government recognises and endorses this vital community initiative by the Company and will provide the Boumango Medical Centre with the required medical equipment, personnel, supplies, and an ambulance.

Genmin is proud to contribute and assist in providing the communities of Ogooué-Létili with a better health system. The refurbishment program is approximately 50% complete and scheduled to be finished during Q2 2023.

Development

Second Bulk Sample Test Work

During the Quarter, 17 bulk DID and SO samples (in total approximately 21 tonnes) were delivered to Bond for a second program of pilot scale test work to provide confirmatory design criteria for the processing facility and generate 100kg samples to allow VIU test work to be undertaken on the pellet feed product. Genmin anticipates that the VIU premium received for this pellet feed product will have a positive impact on Baniaka's economics.

Processing facility – detailed engineering design

During the Quarter, the contract for the detailed engineering design for the 5Mtpa processing facility at Baniaka was awarded to Bond. The scope of work included a revision of the PFS design, consideration of the latest bulk sample pilot test work, the provision of equipment and instrumentation lists, detailed civil engineering designs and an implementation schedule.

The updated flowsheet (refer Figure 7) informed the detailed design of the front-end section of the processing facility, which will be completed and ready for fabrication during Q2 2023.

Agreements

Hydroelectricity

During the Quarter, Genmin held formal discussions with Société de Patrimoine (**SdP**), the operator of Grand Poubara, to progress the commercial contract for the supply of 30 Megawatts (**MW**) of renewable hydroelectricity for Baniaka.

An in-principle agreement was reached with SdP on all commercial and material conditions including a 20-year contract term with pricing at less than US¢10 per kilowatt hour. The contract provides for a 50MW power reservation subject to an expansion of Baniaka and providing water flow rates at Grand Poubara support such supply. By the end of the Quarter, drafting of the long form contract neared completion with contract signing anticipated early in Q1 2023.

Port and rail services

Negotiations relating to the long form contract for the supply of rail and port services from the Owendo Mineral Port (**OMP**) to the Company continued during the Quarter. The Company anticipates that the negotiations will be completed with OMP during Q1 2023.

Resource definition

Bingamba North

During the Quarter, Boart Longyear completed 36 holes for 2,395m of infill diamond drilling at the Bingamba North prospect (refer Figure 2), improving the geological confidence of the SO zone and confirming the continuity of underlying fresh mineralisation beyond the PFS study area. Assay results will be reported on completion of quality assessment, geological interpretation and as part of an updated MRE.

Lendzoubi

A maiden DID Auger drilling program concluded during the Quarter with 98 holes for 1,308m completed at the Lendzoubi prospect (refer Figure 2). The program confirmed the grade and continuity of the DID iron mineralisation along a second Baniaka trend, providing additional resource upside. Drill targeting was informed by geophysical and mapping compilations.

Bakoumba

The Bakoumba project comprises the Bakoumba (G2-511, 1,029km²) and Mafoungui (G7-535, 535km²) exploration licences, which cover a total area of 1,564km², located approximately 70km north-west of Baniaka (refer Figure 1). It provides regional upside to the Baniaka hub and is suitably located to leverage the existing transport and energy infrastructure.

A DID resource definition drilling program at Bakoumba commenced in the September 2022 quarter. At the end of the Quarter, the Company had completed 106 Auger holes for a total of 1,510m, from the planned 3,000m program. The program targets approximately 30% of the 36km of mineralised strike length at Bakoumba (refer Figure 8). The first assay results from this program are expected to be received later in Q1 2023.

A bulk density pitting program commenced in November 2022. At the end of the Quarter, a total of 16 pits were re-sampled or newly excavated. This program is expected to conclude during Q1 2023.

Bitam

The Bitam project comprises the Bitam (G9-590, 1,463km²) and Ntem (G9-485, 1,156km²) exploration licences covering a total area of 2,619km² in the north-west of Gabon (refer Figure 1). During the Quarter, the Company commenced a technical assessment of its datasets relating to Bitam as a precursor to defining its 2023 exploration strategy.

Corporate

Appointment of Company Secretary

On 4 November 2022, Genmin announced the appointment of Mr Dennis Wilkins as Company Secretary following the resignation of Mr Leonard Math. Dennis is a highly experienced company secretary with a strong background in mining and exploration. He has been providing commercial, strategic and corporate governance services to international exchange listed entities, through his firm DWCorporate Pty Ltd, for 21 years.

Placement

On 14 December 2022, Genmin successfully raised AU\$7.9 million through a placement (**Placement**), which received strong support from both existing and new investors. The Placement followed the release of the Company's positive PFS.

The funds raised from the Placement are to be used for pre-development works and to reserve long lead items to both fast track and de-risk the proposed project delivery timeline for Baniaka, in addition to general working capital.

The Company issued 39.5 million new ordinary shares, at an issue price of AU\$0.20 per new share, on 21 December 2022 using its available placement capacity under ASX Listing Rule 7.1.

Performance Rights

During the Quarter, the Company issued 1,000,000 Performance Rights, expiring 1 November 2025, in accordance with the Performance Rights Plan approved by shareholders at the 2021 Annual General Meeting.

Government & Stakeholder Relations

During the Quarter and following release of the PFS, an Australian roadshow was conducted with Foster Stockbroking Pty Limited and Morgans Corporate Limited. The Company's latest corporate presentation is available to view on Genmin's website (refer ASX release dated 29 November 2022).

Changes in Capital Structure

The Company's capital structure effective 31 December 2022 is summarised in Table 5.

Table 5: Capital Structure as of 31 December 2022

Securities on issue	ASX Security Code	Number
Fully paid ordinary shares (quoted and unquoted)	GEN and GENAA	450,133,234
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 31 December 2022, there were 256,284,967 fully paid ordinary shares subject to escrow until 10 March 2023.

On 6 October 2022, 750,000 Performance Rights lapsed due to their conditions becoming incapable of being satisfied.

On 4 November 2022, 1,000,000 Performance Rights, expiring 1 November 2025, were issued in accordance with the Performance Rights Plan.

On 21 December 2022, 39.5 million new fully paid ordinary shares were issued under the Placement.

On 31 December 2022:

- 250,000 Performance Rights expired in accordance with their terms; and
- Genmin had 669 shareholders, and 84.49% 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 6 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 6: Related Party Transactions

Related Party	Description	Amount US\$
Directors	Fees	50,000
	Salary	52,103
	Superannuation	3,647
	Extra Exertion Fees	-
Total		105,751

Cash Movement & Uses of Funds

During the Quarter, Genmin raised AU\$7.9 million from the issue of 39.5 million fully paid ordinary shares pursuant to a Placement (refer page 6 of this announcement).

In accordance with ASX Listing Rule 5.3.4, Table 7 shows the comparison between the forecast Uses of Funds stated in the Company's prospectus dated 9 February 2021 (**Prospectus**) and the actual expenditure to the end of the Quarter.

Table 7: Uses of Funds

Category	Prospectus AU\$'000	Prospectus US\$'000	Actual US\$'000	Variance US\$'000
Income and Placement	-	-	-	15,721
Baniaka Preliminary Feasibility Study	15,146	11,662	18,614	(6,952)
Bakoumba Resource Definition	1,766	1,360	393	967
Minvoul/Bitam Regional Exploration	476	367	49	318
Capital Items	670	516	637	(121)
General and Administration	1,831	1,410	1,608	(198)
Expenses of the Offer	2,621	2,018	2,081	(63)
Working Capital	7,490	5,767	7,667	(1,900)
Pre-Development (new category)	-	-	431	(431)
Total	30,000	23,100	31,480	7,342

Since listing on the ASX, Genmin has raised further funds of:

- US\$10 million pursuant to a royalty agreement with Anglo American (refer to the Company's ASX releases dated 7 July 2022 and 27 July 2022); and
- AU\$7.9 million from the successful Placement completed during the Quarter.

The amount shown as 'Income and Placement' in Table 7 is the funds raised net of brokerage fees paid to the joint lead managers to the Placement. Given the further funds raised and the positive results from the exploration and feasibility work undertaken since listing, the Company has undertaken additional activities to those that were outlined in the Prospectus, resulting in higher than forecast expenditure and variances.

The Company announced the results of the PFS on 16 November 2022 and Genmin has substantially met its objectives and strategy as set out in Section 2.2 of the Prospectus.

During the Quarter, Genmin paid:

- US\$3.5 million in direct expenditures for the PFS, SEIA and drilling programs both at Baniaka and Bakoumba;
- US\$0.9 million for Pre-Development and site-based activities at Baniaka; and

- US\$1.3 million for corporate related costs.

Licence Schedule

The Company's interests in exploration licences are summarised in Table 8.

Table 8: Genmin's Exploration Licences in Gabon

Exploration Licence	Registered Holder ¹	Location	Genmin interest	
			Start of Q4 2022	End of Q4 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%
G9-485 Ntem	Afrique Resources S.A.	Gabon	100%	100%
G9-590 Bitam	Azingo Gabon S.A.	Gabon	100%	100%

Notes: ¹ All Registered Holders are 100% owned subsidiaries of Genmin.

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

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JORC Confirmation Statement

The information in this report which relates to the Baniaka Mineral Resource and Ore Reserve, Production Target and forecast financial information derived from a Production Target is extracted from the Company's ASX announcement dated 16 November 2022, titled "Positive Baniaka PFS", which is available to view on the Company's website at www.genmingroup.com/investors/asx-announcements. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement, that all material assumptions and technical parameters underpinning the estimates in the original market announcement continue to apply and have not materially changed, and that the form and context in which the Competent Person's findings are presented have not been materially modified.

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 5,064km².

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 2,445km² 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 Ore Reserves, 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

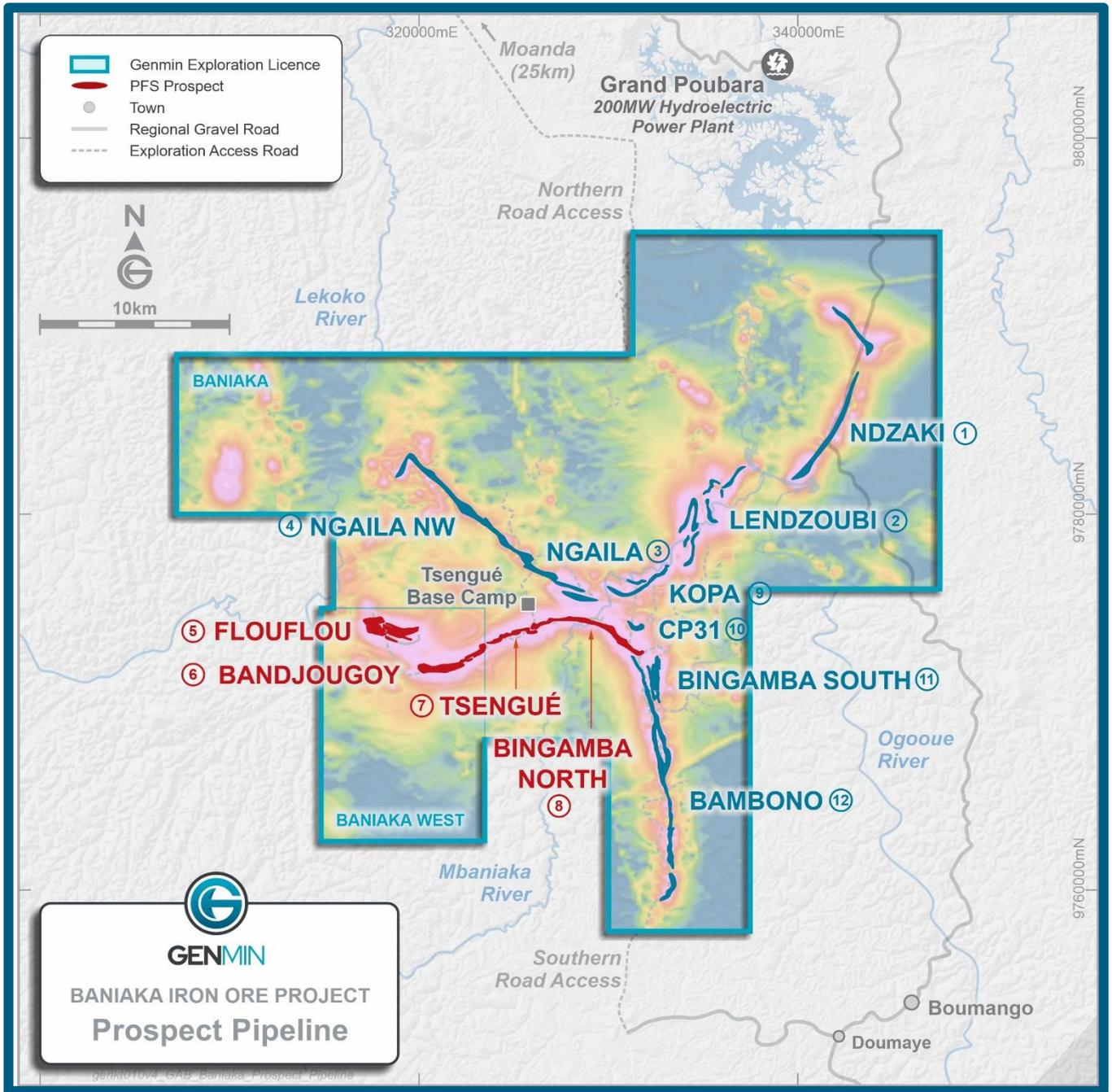


Figure 2: Baniaka Prospects

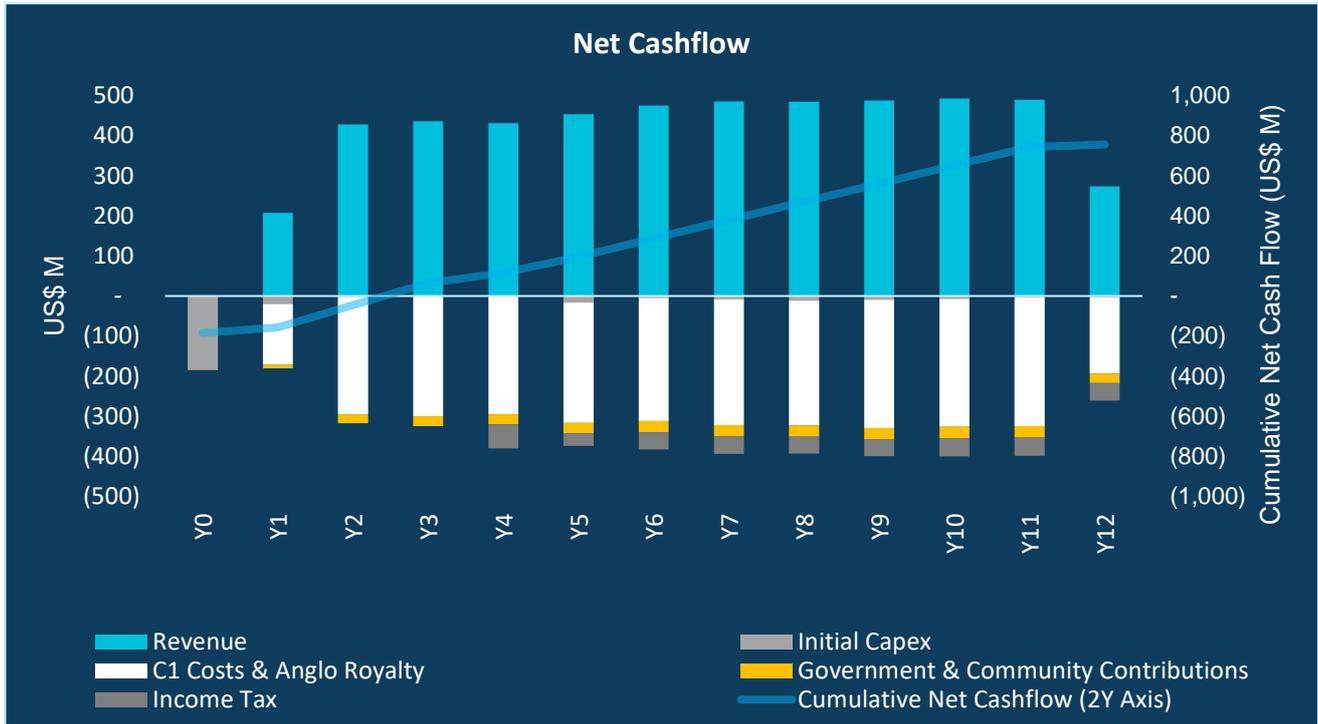


Figure 3: Baniaka LOM cashflows

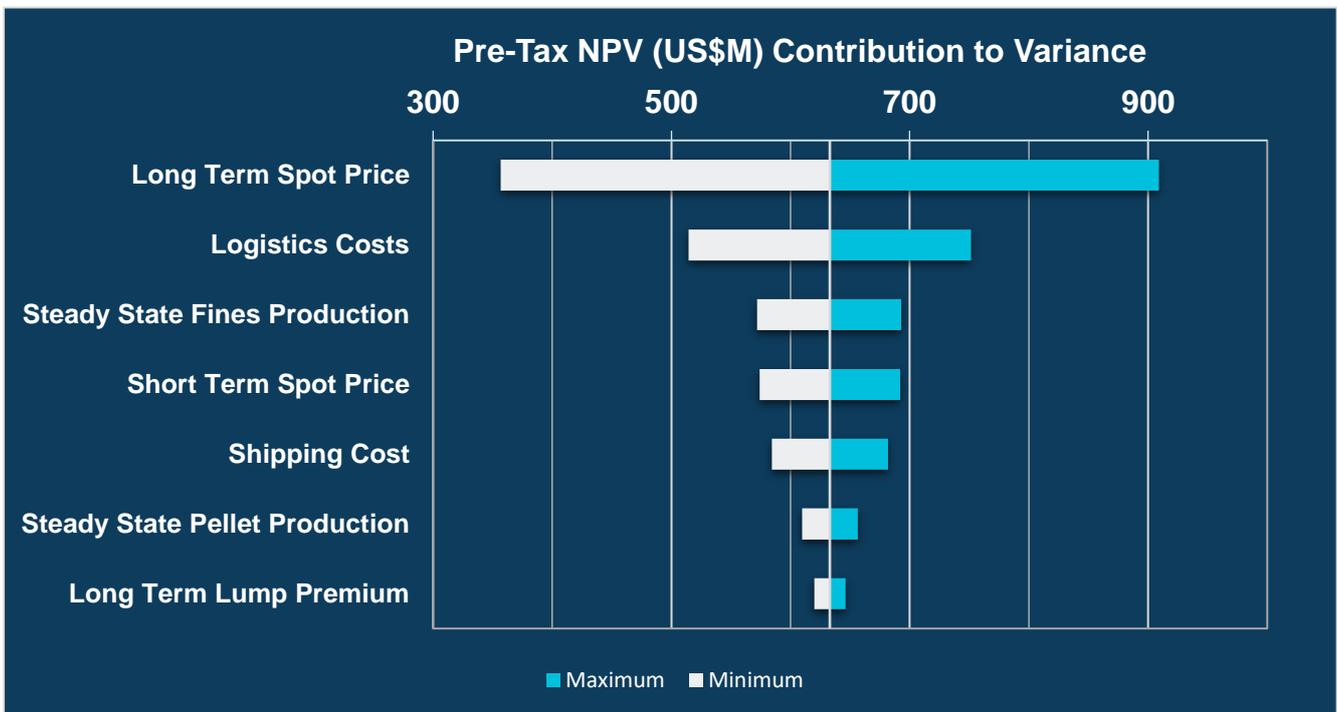


Figure 4: Tornado Chart (contribution to NPV variance by input)



Figure 5: Boumango Medical Centre refurbishment – exterior



Figure 6: Boumango Medical Centre refurbishment – interior

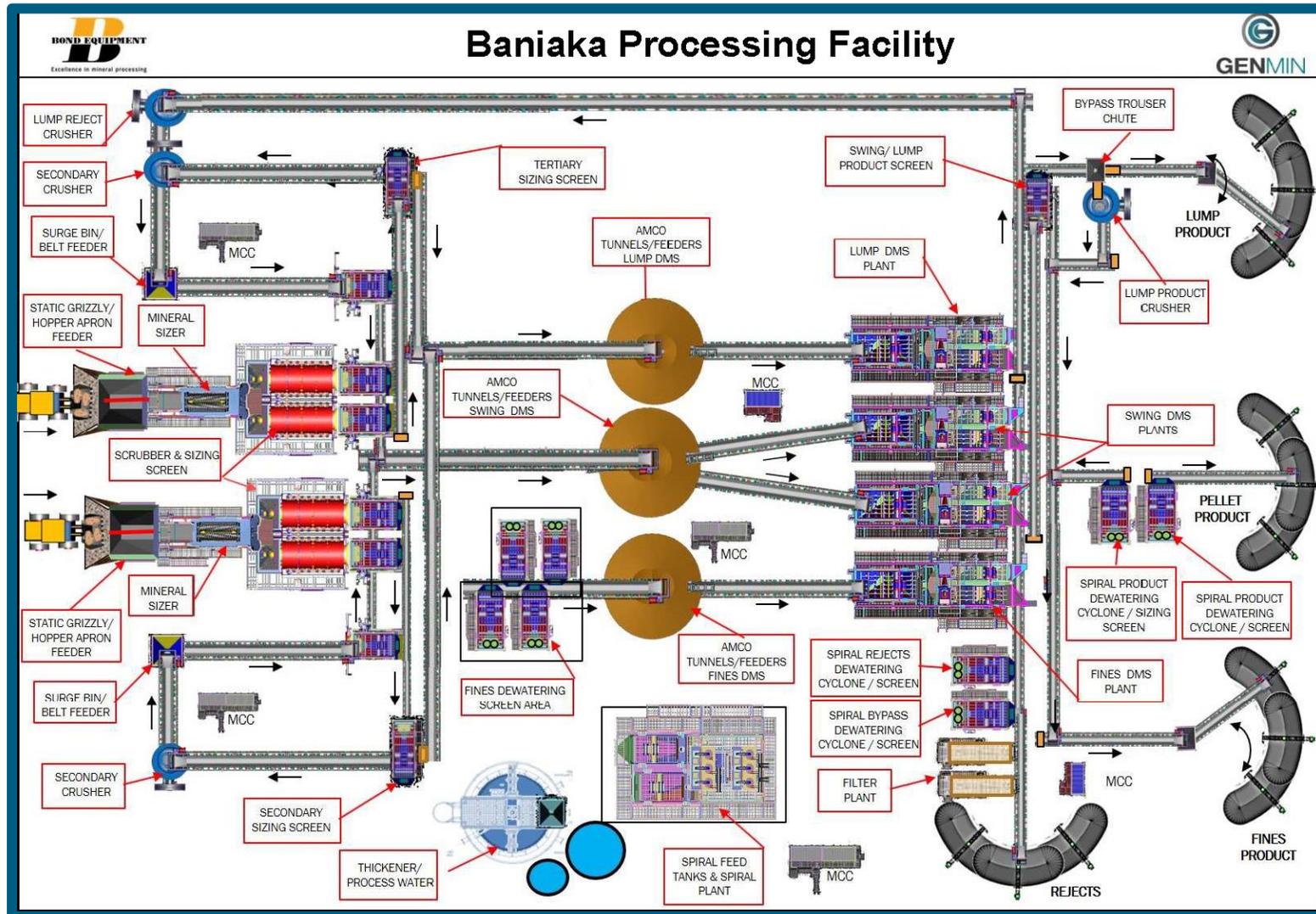


Figure 7: Optimised and revised processing plant block flow diagram developed with Bond

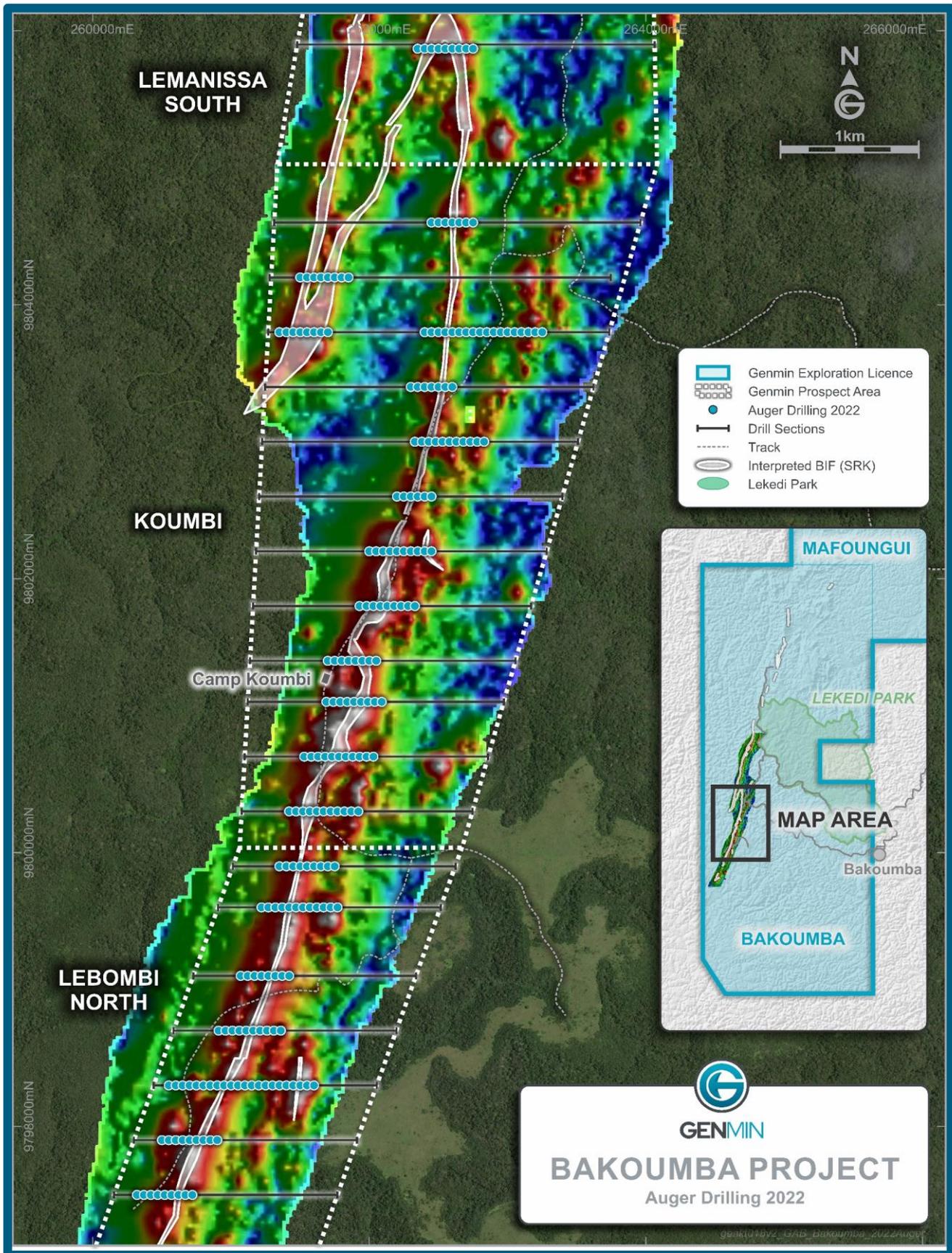


Figure 8: Bakoumba location and Auger drilling program