

31 October 2023

## **Baniaka environmental approval received & offtake MoUs signed with major Chinese steel producers, Baowu & Hunan Valin**

### **Highlights**

- Environmental approval received for Baniaka; a pivotal milestone and the final prerequisite to the issue of a 20-year, large-scale mining permit
- Large-scale mining permit for Baniaka now expected to be issued before the end of 2023
- Non-binding Memorandum of Understanding signed with Hunan Valin Steel Co. Ltd for potential offtake of 4.8 million tonnes of Baniaka Green® Fines, Lump and Pellet Feed iron ore products, over two years
- Non-binding Memorandum of Understanding signed subsequent to the end of the quarter with Baowu Resources Co. Ltd for potential offtake of 4.2 million tonnes of Baniaka Green® Fines, Lump and Pellet Feed iron ore products, over two years
- Peaceful regime change in Gabon with a transitional government appointed, including a new Minister of Mines. Positive, first face-to-face meeting held with the new Minister of Mines
- Financial close achieved for a working capital loan facility of up to US\$3 million

Emerging African iron ore producer, Genmin Limited (**Genmin** or the **Company**) (ASX: GEN) is pleased to present its quarterly activities report for the period ended 30 September 2023 (**Quarter**).

Genmin's major achievements during the Quarter included the issue, by the Minister of Environment in Gabon, of a certificate of environmental conformance (**Environmental Approval**) for the Company's 100% owned Baniaka iron ore project (**Baniaka**), located in Gabon, west Central Africa (Figure 1). The Environmental Approval is the final prerequisite for the issue of a large-scale mining permit for Baniaka, which is now expected to be issued before the end of 2023.

Commenting on the Quarter, Managing Director and CEO Joe Ariti said: "In addition to receiving the environmental approval that, subject to receiving the large-scale mining permit, enables us to build and operate Baniaka, we also made significant progress on positioning our products in the Chinese market signing non-binding offtake MoUs with Baowu, the largest steel producer in the world and Hunan Valin, a major shareholder of FMG. We now have four offtake MoUs in place, three of which are with groups within the top 15 global steel producers".

He further added: "Business in Gabon across all sectors is operating normally following a peaceful regime change in late August. A transitional President and government have been appointed including a new Minister of Mines, Mr Hervé Patrick Opiangah, who the Company met with during the quarter. Minister Opiangah confirmed the mining administration, and broader transitional government, is committed to continue to work transparently with its commercial partners to build the economy".

## Peaceful regime change and transitional government

On 30 August 2023, a peaceful military coup effecting a regime change occurred in Gabon. General Brice Nguema was subsequently appointed transitional President of Gabon on 4 September 2023, with a mandate to form an interim government. On 7 September 2023, Mr Raymond Ndong Sima was appointed interim Prime Minister. Mr Ndong Sima is an economist who was previously Prime Minister of Gabon from 2012 until 2014.

On 9 September 2023 a transitional ministerial cabinet was announced, including the appointment of Mr Hervé Patrick Opiangah as Minister for Mines. Subsequent to the end of the Quarter, on 7 October 2023, new representatives were appointed to the national assembly and senate for the transitional period. During the Quarter, the Company met with Minister Opiangah who confirmed the mining administration, and broader transitional government, is committed to continue to work transparently with its commercial partners to build the economy (refer Government Relations section on page 5).

Day-to-day activities quickly returned to normal in Libreville and throughout Gabon, and the prompt and peaceful nature of the appointment of an interim Prime Minister, government, and parliament reinforces the ongoing stability in the country.

In response to the regime change in Gabon on 30 August 2023, Genmin halted and subsequently suspended its shares from trading on the ASX whilst the implications of the regime change were assessed.

The Company has requested the voluntary suspension remain in place until 30 November 2023 or until an announcement in relation to an equity working capital financing is released.

## Projects

Genmin holds six 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 projects (Table 1).

**Table 1: Genmin's iron ore projects in Gabon**

Project Name	Status
Baniaka	Pre-development stage
Bakoumba Iron Ore Project ( <b>Bakoumba</b> )	Advanced exploration stage
Bitam 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 has a defined cumulative strike length of 85km of iron mineralisation, divided into 12 prospect areas at different levels of maturity.

To date, a global Mineral Resource estimate (**MRE**) of 760 million tonnes (**Mt**) has been defined at Baniaka, and approximately 80% of the strike extent remains undrilled (refer to Mineral Resource and Ore Reserve statements on page 8 of this announcement). In November 2022, the Company announced the results of its Pre-Feasibility Study for Baniaka (ASX announcement dated 16 November 2022), which included an Ore Reserve estimate of 101Mt to support a scalable 5 million tonnes per annum (**Mtpa**), 10-year life starter open pit mining operation. With an after-tax NPV of approximately AU\$600 million and an Internal Rate of Return of 38%, at an average US\$97/t iron ore price, the financial metrics are compelling, without any compromise to our strong focus on environmental, social and governance (ESG) business principles.

## Large-scale mining permit

Genmin has applied for a large-scale mining permit for an initial term of 20 years to support a starter 5Mtpa mining operation at Baniaka. During the Quarter, the Company received the Environmental Approval for Baniaka, the final pre-requisite before the issue of a large-scale mining permit (**MP**).

The MP was pending approval prior to the peaceful regime change in Gabon on 30 August 2023. The MP requires Ministerial endorsement before it is approved by Gabon's transitional President. Genmin is encouraged by the prompt formation of the new government and initial discussions with the new Minister of Mines, and now anticipates the issue of the MP before the end of 2023.

## Offtake with Chinese steel producers

During the Quarter, Genmin entered into a non-binding Memorandum of Understanding (**MoU**) for a potential offtake agreement for Baniaka Green® iron ore products for a term of two years with Valin Hongkong International Trade Co. Limited, a subsidiary of Hunan Valin Steel Co. Ltd (**Hunan Valin**), a listed, majority state-owned enterprise headquartered in Changsha, Hunan province, China.

Hunan Valin is listed on the Shenzhen Stock Exchange (00932.SZ) and is ranked inside the top 15 global crude steel producers with production of 26.4Mt in 2022 and a workforce of more than 23,000 employees. In February 2009, Hunan Valin's parent, Hunan Iron & Steel Group Co. Ltd (**Hunan Steel**) completed an early investment in Fortescue Metals Group Ltd (**FMG**) contemporaneously increasing its offtake volumes. Today, Hunan Steel is the second largest shareholder of FMG with an ~8.7% stake, valued at approximately AU\$6 billion.

Subsequent to the end of the Quarter, Genmin signed a further non-binding MoU for a potential offtake agreement with Baosteel Resources Holding (Shanghai) Co. Ltd, a subsidiary company of the largest steel producer in the world, Baowu Resources Co. Ltd (**Baowu**). This MoU with Baowu is for 2.1Mtpa of Baniaka Green® iron ore products for a term of two years.

Baowu, as the world's largest steel manufacturer, plays a pivotal role in driving the decarbonisation of the steel manufacturing industry. The offtake of Baniaka Green® iron ore products would assist Baowu in its efforts towards green, premium, and intelligent steel manufacturing.

Four Memoranda of Understanding have now been signed by Genmin and remain in effect for potential total offtake of 19.0Mt of Baniaka Green® Fines, Lump and Pellet Feed products over initial terms of two or three years (Table 2).

**Table 2: Non-binding offtake MoUs with Chinese counterparties**

Partner	Term	Mtpa	Total (Mt)
Baowu Resources Co. Ltd	2 years	2.1	4.2
Jianlong Group	2 years	2.0	4.0
China Minmetals Corporation	3 years	2.0	6.0
Hunan Iron & Steel Group Co. Ltd	2 years	2.4	4.8

On 15 December 2021, Genmin announced a non-binding MoU with Changzhou Dongfang Special Steel (**CDSS**), a privately owned enterprise in China specialising in producing and supplying higher value flat steel products. As part of the key terms, the non-binding MoU determined that CDSS and Genmin would use all reasonable endeavours to enter into legally binding offtake agreements by 30 June 2023. A legally binding offtake agreement was not entered into by 30 June 2023, and consequently, the MoU with CDSS ended.

## Project financing

The Company is continuing its communication with several potential financing partners to support the development of Baniaka. Following discussions during the Quarter, and as a result of the regime change in Gabon, Anglo American Marketing Limited (**AAML**) notified the Company of its intention not to close the additional US\$5 million royalty funding or seek approval for a term sheet for project build debt financing at this time. Noting Baniaka's robust techno-economic fundamentals, AAML has requested that a schedule of monthly meetings is maintained whilst it monitors and formulates an investment view on the changed political situation in Gabon.

## Greener product positioning



The global steel making industry has formulated and is pursuing a decarbonisation strategy. The steel sector is aiming to reduce its carbon footprint as the production of steel remains a relatively high carbon dioxide (**CO<sub>2</sub>**) emitter. Each tonne of steel produced typically emits 1.9 tonnes of CO<sub>2</sub>, with the steelmaking industry contributing between 7% and 9% of global CO<sub>2</sub> emissions<sup>1</sup>. The reduction of these emissions is a global priority.

The industry is moving towards production of *greener* steel through the sourcing of higher quality, lower carbon intensity raw materials, carbon free processing technologies substituting hydrogen, and increased energy efficiency.

Genmin's iron ore products from Baniaka are attractive to steel mills for their metallurgical characteristics, which contribute to energy efficiency and lower emissions (Scope 1 emissions – Figure 3) in the iron making process. Central South University in China has independently concluded that Baniaka Lump has excellent thermal stability and reducibility, while Baniaka Fines improves Sintering efficiency with a 12.5% increase in productivity and 8.6% lower solid fuel consumption when substituting for some Australian Fines and Brazilian Fines currently used in Sinter feed blends (refer to ASX Announcement 'Positive Baniaka PFS' dated 16 November 2022).

Further, in securing the long-term supply of renewable hydroelectricity to power Baniaka (refer to ASX Announcement dated 1 February 2023), the Company aims to provide lower carbon intensity raw materials to minimise logistic chain carbon contribution (Scope 3 emissions – Figure 3) and enhance its value proposition to potential offtakers, spot customers, and investors.

## Exploration

Genmin's exploration portfolio comprises Bakoumba, prospective for iron ore, and Bitam, prospective for iron ore, copper, lithium, rare earth elements and gold.

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> within the Baniaka regional iron ore hub (Figure 1).

Bitam comprises the polymetallic 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> in the north-west of Gabon (refer Figure 1).

During the Quarter, the Company's exploration activities at Bakoumba and Bitam were temporarily closed to align with the end of the field (dry) season.

Bitam remains Genmin's exploration priority. During the Quarter, the Company began a stream sediment sampling program on both licences at Bitam. The program is designed to test the prospectivity of base and industrial metal

<sup>1</sup> <https://worldsteel.org/climate-action>

geochemical anomalies within high-priority targets identified by independent consulting group RSC Global (**RSC**). The program commenced in July 2023 and is expected to be completed during the next field season. No assays have been received to date.

The Company is encouraged by RSC's prospectivity assessment, which indicates that the local geology is permissive for multiple mineralisation styles. RSC has identified prospective zones for: iron oxide copper-gold (Fe, Cu, Au), orogenic gold deposits (Au), and volcanogenic massive sulphide (VMS) deposits (Cu-Zn-Pb). In addition, RSC also expects that there could be potential for rare earth element (**REE**) carbonatites, REE alkaline igneous rocks, and lithium-caesium-tantalum (Li-Cs-Ta or LCT) pegmatites.

Several rock chip samples for Bitam are currently being prepared for comprehensive mineralogical evaluation using reflected light microscopy on thin sections to assist in the further development of the local geology model and techno-economic evaluation.

## Corporate

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### Non-dilutive working capital facility

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Near the end of the Quarter, Genmin announced it had negotiated an arm's length unsecured working capital facility (**WCF**) of up to US\$3 million with its largest shareholder Tembo Capital Mining Fund LP (**Tembo Capital**) (refer to ASX Announcement dated 18 September 2023), to be applied to securing the large-scale mining permit for Baniaka and general working capital.

The WCF accrues interest at 10% per annum and is repayable on or before 31 March 2024 (or such later date agreed between the parties) or is immediately repayable in full upon Genmin becoming entitled to draw down on any debt financing raised to fund the development of Baniaka.

### Government relations

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At the end of the Quarter, Genmin's Director of Government Relations, Patrice Raimbault, met with Gabon's new Minister of Mines, M. Hervé Patrick Opiangah in Libreville to present the Company's projects in Gabon (Figure 2).

During the meeting, Minister Opiangah reiterated that Gabon's transitional government will respect its commitments to, and work transparently with, its commercial partners to build the economy and generate greater employment opportunities for national workers across a range of sectors.

Managing Director and CEO, Joe Ariti, is scheduled to visit Gabon in the current quarter to meet with Minister Opiangah and other officials of the transitional government.

### Changes in capital structure

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The Company's capital structure effective 30 September 2023 is summarised in Table 3.

**Table 3: Capital structure as of 30 September 2023**

Securities on issue	ASX Security Code	Number
Fully paid ordinary shares	GEN	451,533,234
Unlisted Options @ US\$0.15 exp 31/07/24	GENAM	280,000
Unlisted Options @ US\$0.15 exp 31/07/24	GENAL	250,000
Unlisted Options @ AU\$0.442 exp 07/03/26	GENAN	5,000,000
Performance Rights	GENAE	2,925,000
Performance Rights exp 25/05/25	GENAP	923,750
Performance Rights exp 22/06/24	GENAO	360,000

On 30 September 2023, Genmin had 621 shareholders, and 86.17% of the fully paid ordinary shares on issue were held by the top 20 shareholders.

## Compliance

### Related party transactions

No payments were made to related parties of the Company and their associates during the Quarter with the directors agreeing to defer payment of directors' fees.

### Expenditure incurred on exploration and development

During the Quarter, the Company made payments of US\$0.1 million for exploration and evaluation (Q2 2023: US\$1.6 million), US\$0.2 million for pre-development and site-based activities at Baniaka (Q2 2023: US\$0.6 million), and US\$1.5 million for corporate related costs (Q2 2023: US\$1.1 million).

### 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 2023	End of Q3 2023
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%

Note:

<sup>1</sup> All Registered Holders are 100% owned subsidiaries of Genmin.

This announcement has been authorised by the Board of Genmin.

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## About Genmin

**Genmin Limited (ASX: GEN)** is an ASX-listed emerging African iron ore producer with a pipeline of projects in the Republic of Gabon, west Central Africa. The Company has 100% interests in three projects comprising six granted exploration licences covering approximately 5,064km<sup>2</sup>.

Genmin's flagship Baniaka, and nearby Bakoumba iron ore projects are in south-east Gabon and provide an emerging iron ore hub near the Haut-Ogooué provincial capital city of Franceville. The hub is favourably situated adjacent to existing and operating bulk commodity transport and renewable energy infrastructure, to which Baniaka has secured long-term access for commercial operations. The Company has an extensive footprint and controls all acreage prospective for iron ore with 2,445km<sup>2</sup> of regional landholding that hosts 121km of interpreted iron mineralised strike, with only 16% of the mineralisation tested with diamond drilling.

Genmin has additional exploration tenure prospective for iron ore, gold and base metals at its Bitam project in the north-west of Gabon located near the Woleu-Ntem provincial capital of Oyem.

## Mineral Resources and Ore Reserves

**Baniaka Mineral Resource statement, effective 31 December 2022**

Class	Material	Tonnes	%					
		(Mt)	Fe	SiO <sub>2</sub>	Al <sub>2</sub> O <sub>3</sub>	P	S	LOI <sup>1000</sup>
Indicated	DID	67.1	47.4	15.9	8.0	0.072	0.076	7.5
	Soft Oxide	100.6	43.1	29.1	3.9	0.058	0.054	4.5
	Intact Oxide	61.5	37.0	39.0	3.2	0.059	0.052	3.1
	<b>Total</b>	<b>229.2</b>	<b>42.8</b>	<b>27.9</b>	<b>4.9</b>	<b>0.063</b>	<b>0.060</b>	<b>5.0</b>
Inferred	DID	5.8	41.8	21.3	10.2	0.067	0.071	7.3
	Soft Oxide	15.9	43.7	31.4	2.7	0.055	0.031	2.9
	Intact Oxide	19.3	36.7	42.1	2.6	0.057	0.033	2.0
	Primary BIF	488.6	33.5	44.5	2.3	0.058	0.084	1.2
	<b>Total</b>	<b>529.6</b>	<b>34.0</b>	<b>43.7</b>	<b>2.4</b>	<b>0.058</b>	<b>0.081</b>	<b>1.4</b>
<b>Grand Total</b>		<b>758.7</b>	<b>36.7</b>	<b>38.9</b>	<b>3.2</b>	<b>0.059</b>	<b>0.074</b>	<b>2.5</b>

**Baniaka Ore Reserve Statement, effective 31 December 2022**

Classification	Ore Type	Tonnes	%					
		(Mt)	Fe	SiO <sub>2</sub>	Al <sub>2</sub> O <sub>3</sub>	P	S	LOI <sup>1000</sup>
Probable	DID	45.5	48.2	15.3	7.7	0.07	0.07	7.4
	HYB	2.1	35.9	25.8	12.9	0.06	0.07	8.6
	Soft Oxide	53.2	46.2	24.6	3.7	0.06	0.07	4.9
<b>Total</b>		<b>100.9</b>	<b>46.9</b>	<b>20.4</b>	<b>5.7</b>	<b>0.06</b>	<b>0.07</b>	<b>6.1</b>

*Notes:*

- Estimate totals may vary reflecting the level of rounding accuracy applied.
- Mineral Resources are inclusive of Ore Reserves.

## Confirmation

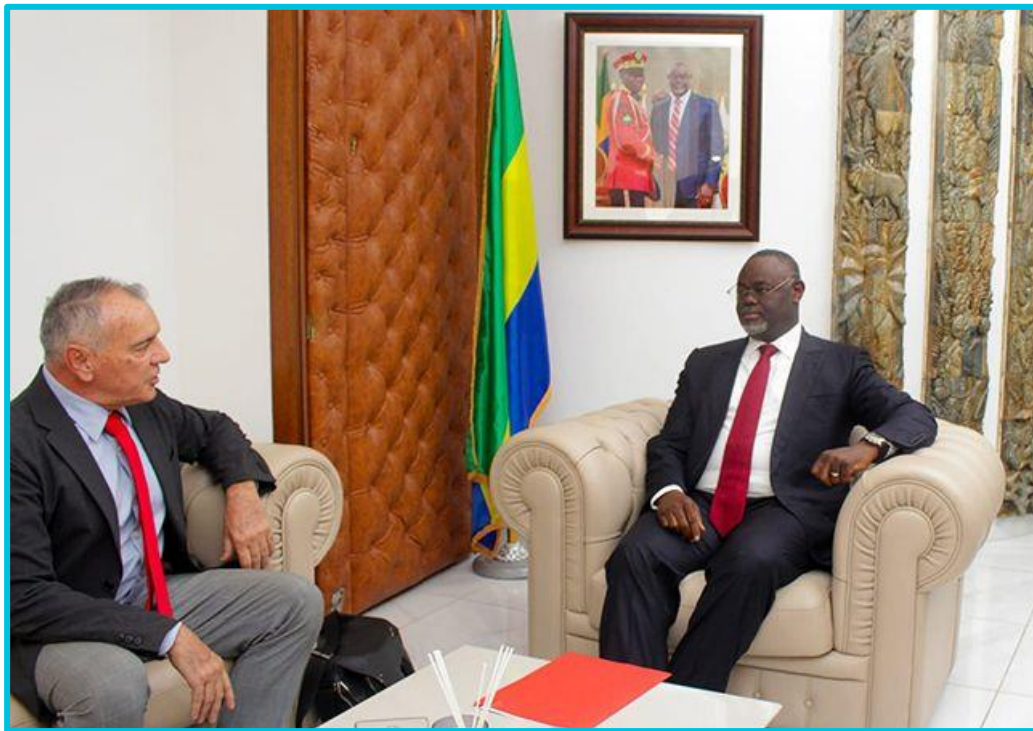
The information in this report that relates to Mineral Resources, Ore Reserves, production targets and forecast financial information derived from production targets is extracted from the Company's ASX Announcement dated 16 November 2022 titled "Positive Baniaka PFS", which is available at <https://www.genmingroup.com/investors/asx-announcements> and in which Mr Richard Gaze and Mr Allan Blair were the Competent Persons in respect of Mineral Resources and Ore Reserves respectively.

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 of Mineral Resources and Ore Reserves in the market announcement above continue to apply and have not materially changed, and that the form and context in which the Competent Persons findings are presented have not been materially modified.

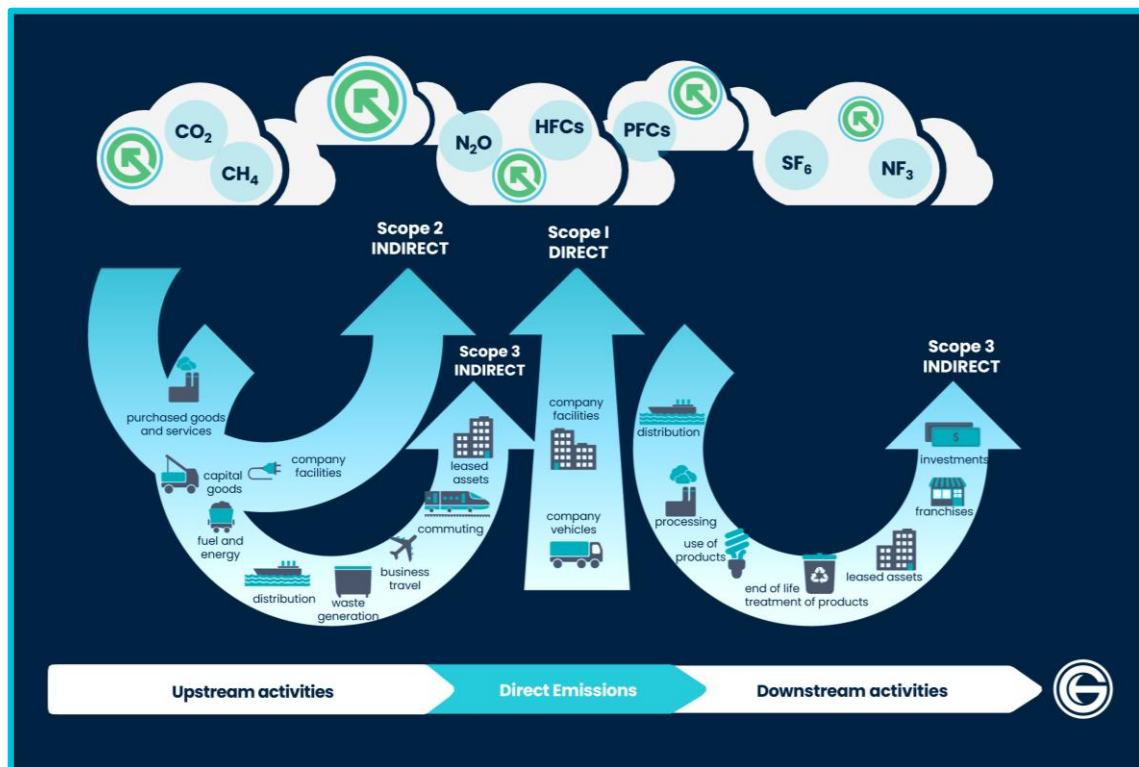




Figure 1: Location map of Genmin's projects in Gabon



**Figure 2: Genmin's Director of Government Relations, Patrice Rimbault met with Gabon's new Minister of Mines, Hervé Patrick Opiangah in Libreville, on 25 September 2023**



**Figure 3: Positioning Baniaka Green® products in global markets.**  
*Source: Modified from the Greenhouse Gas Protocol Scope 3 Standard.*