



**GENMIN**

ASX Announcement

7 July 2022

# Genmin signs agreement with Anglo American for a royalty & exclusive right to negotiate project funding and offtake

Genmin has granted Anglo American a royalty and an exclusive right to negotiate & agree terms for up to US\$75M in financing & up to 100% of offtake from Baniaka, for an immediate cash payment of US\$10M

## Highlights

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- Genmin has entered into a royalty agreement with Anglo American.
- Anglo American to receive up to a 1% sales revenue royalty in consideration for an immediate cash payment of US\$10 million.
- Royalty is payable on the first 75 million tonnes of iron ore products sold from Baniaka and Genmin has a buy back right that can be exercised at any time. The buy back is priced at an agreed IRR on Anglo American's initial cash payment.
- Additionally, Genmin has granted Anglo American an exclusive right to negotiate and agree terms with Genmin for up to US\$75 million in project funding and up to 100% of offtake from Baniaka.
- Exclusive right commences on delivery of the Baniaka preliminary feasibility study and is for a period of 120 calendar days.
- Baniaka preliminary feasibility study completion date extended until the end of the September quarter.
- Anglo American is a leading, global mining company with a portfolio of competitive, world class operations.

African iron ore explorer and developer, Genmin Limited (**Genmin** or **Company**) (ASX: **GEN**) is pleased to announce that it has, through its wholly owned subsidiary Gabon Iron Ore Limited (**GIOL**), 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), in relation to its 100% owned Baniaka iron ore project (**Baniaka**) located in Gabon, west Central Africa (Figure 1).

In accordance with the Agreement, Anglo American will pay US\$10 million (AU\$14.5 million at 0.69AU\$: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 75 million tonnes (**Mt**) 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 (**IRR**) to Anglo American on the US\$10 million cash consideration. Additionally, GIOL has granted Anglo American

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an exclusivity period of 120 calendar days from the delivery of the Baniaka preliminary feasibility study (**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 an offtake agreement for up to 100% of iron ore products from Baniaka.

Genmin's CEO Joe Ariti comments: "We are very pleased to have signed this agreement with a leading, global mining company of Anglo American's stature. We regard Anglo American as an ideal potential partner for us in achieving our goal of pioneering iron ore production in Gabon in a sustainable way, given Anglo American's heritage in Africa, and commitment to sustainable operations and activities as an iron ore producer and marketer".

He further added: "The US\$10 million consideration provides no dilution to our existing shareholders and will immediately boost our cash position. The Agreement provides a mechanism to negotiate and agree in the medium-term potential development funding, and over the long-term an offtake solution. This Agreement also supports our near-term production aspirations and, unlike conventional debt finance, the potential bespoke funding with offtake provides alignment between the parties for the pursuit of scale".

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 [www.angloamerican.com](http://www.angloamerican.com).

The key terms of the Agreement are set out below:

- Anglo American will pay US\$10 million 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 or other disposal of the first 75Mt of iron ore products produced and sold from Baniaka. The royalty will be payable at a rate of up to 1.0%, which is linked to the sale price received for the sale or other disposal of the iron ore products;
- GIOL, at any time, has the right to buy back the royalty at a price that delivers to Anglo American an agreed IRR on the US\$10 million cash consideration; and
- GIOL has granted Anglo American an exclusivity period of 120 calendar days from delivery of the Baniaka PFS to complete confirmatory due diligence, and negotiate and agree legally binding documentation for the provision of up to US\$75 million of funding for Baniaka, and an offtake agreement for up to 100% of iron ore products from Baniaka.

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, central West Africa. The Company has a 100% interest in three (3) projects comprising six (6) exploration licences covering approximately 5,270km<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, central West Africa