

23 May 2023

Baniaka Mining Permit progressing & non-dilutive US\$2 million working capital financing completed

Highlights

- Large-scale Mining Permit application progressing for flagship Baniaka iron ore project in Gabon
- Social and environmental impact assessment public exposure period and supporting technical presentation completed with no material matters identified
- Baniaka Mining Permit, which is dependent on the approval of the social and environmental impact assessment expected to be granted by the end of the June 2023 quarter
- Non-dilutive US\$2 million working capital financing completed
- Funds to be applied to securing the Mining Permit, some pre-development activities and general working capital whilst project build funding is put in place
- Discussions ongoing for an additional, non-dilutive US\$5 million in royalty funding

Emerging African iron ore producer, Genmin Limited (**Genmin** or the **Company**) (ASX: GEN) provides the following update in respect of the large-scale Mining Permit application (**MPA**) for its 100% owned Baniaka iron ore project (**Baniaka**) located in the Republic of Gabon, west Central Africa (Figure 1), and the provision of non-dilutive working capital.

Managing Director and Chief Executive Officer, Mr Joe Ariti commented: "Our focus during the first part of 2023 has remained steadfast on targeting production at Baniaka in the second half of 2024. Not only have we signed long-term agreements for the provision of clean, renewable electricity, and rail & port services, we have made solid progress on procuring a large-scale mining permit, with the most challenging piece related to the social and environmental impact assessment largely behind us".

"In addition, the Company has been prudent and responsible managing its capital structure in not raising working capital at these artificially low equity prices by putting in place an unsecured, non-dilutive US\$2 million loan financing, with its supportive, largest shareholder Tembo Capital".

Mining Permit application

Genmin has applied for a large-scale Mining Permit (**MP**) for an initial term of 20 years to support a large-scale mining operation at Baniaka. During the first part of 2023, significant progress has been made on procuring the MP through the completion of two essential steps, being submission:

1. to the Minister of Mines and Geology of an extensive MPA inclusive of a supporting feasibility study. The issue of the MP is, amongst other things, subject to the approval of a social and environmental impact assessment (**SEIA**); and

- of the Baniaka SEIA to the Director General for the Environment and the Protection of Nature (**DGEPN**); a department within Gabon's Ministry of Environment. Importantly, the SEIA public exposure period and supporting technical presentation have been completed without any material matters being identified. The SEIA is now subject to final assessment by DGEPN and it is expected to be approved by the end of the June 2023 quarter through the issue of a certificate of environmental conformance.

A MP in Gabon is a licence issued by a decree of the President of the Republic of Gabon, conferring upon its holder an exclusive mining right for a mineral substance. An MPA must include a SEIA and feasibility study. The term of a large-scale MP can be either ten years renewable as many times as necessary for periods of five years, or 20 years renewable as many times as necessary for periods of ten years. The MP must be carved out of an existing exploration licence(s).

Loan Agreement

To maintain momentum at Baniaka and have sufficient working capital at its disposal whilst project build funding is put in place, Genmin has negotiated an unsecured loan of US\$2 million with its largest shareholder Tembo Capital Mining Fund LP (**Tembo Capital**), who has continued its strong support of the Company.

The key terms of the loan agreement are summarised below.

Counterparty	Tembo Capital
Loan	US\$2 million
Purpose	Proceeds from the loan will be used for general corporate purposes, including in relation to funding activities at Baniaka
Interest	Interest on the loan will accrue at 10% per annum and will be capitalised quarterly, to the extent not paid in cash on or prior to the end of each calendar quarter. Interest on overdue amounts will accrue at 12% per annum and may be capitalised monthly
Repayment of Prepayment	The loan must be repaid in cash on or before 31 March 2024 (or such later date agreed between the parties). Genmin will be required to immediately repay the loan in full upon becoming entitled to draw down on any debt financing raised to fund the development of Baniaka
Security	The loan is unsecured

The Board of Directors of Genmin (**Board**) (other than Tembo Capital's nominee on the Board, Mr John Hodder) have determined, having regard to a third-party assessment, that the terms of the loan agreement would be reasonable in the circumstances if Genmin and Tembo Capital were dealing at arm's length and, therefore, that Genmin shareholder approval for the purposes of Chapter 2E of the *Corporations Act 2001* (Cth) is not required for the loan. Mr Hodder, given his relationship with Tembo Capital, did not participate in negotiations in relation to the loan agreement and abstained from the Genmin Board's deliberations in relation to the loan agreement.

This announcement has been approved by the Board.

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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 a 100% interest in three projects comprising six granted exploration licences covering approximately 5,064km².

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 2,445km² 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 iron ore project in the north-west of Gabon within the Woleu-Ntem province, near the provincial capital of Oyem.



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