



29 August 2024

Caitlyn Cooke
ASX Compliance Pty Limited
Level 40, Central Park
152-158 St Georges Terrace
Perth WA 6000

Response to ASX's request for information

Dear Caitlyn,

We refer to your letter dated 26 August 2024 and respond to the ASX's request for information as follows:

1. Does GEN consider its financial condition is sufficient to warrant the continued quotation of its securities and continued listing as required under Listing Rule 12.2?

Genmin Limited (**Company**) considers that its financial condition is sufficient to warrant the continued quotation of its securities and continued listing as required under Listing Rule 12.2.

2. If the answer to question 1 is 'yes', please explain the basis for this conclusion commenting specifically on the following:

2.1. GEN had cash and cash equivalents of \$648,000 as at 30 June 2024; and

2.2. GEN had 0.13 quarters funded as at 30 June 2024.

In its Appendix 5B quarterly cash flow report for the quarter ended 30 June 2024 (**June 2024 Quarterly Report**), the Company disclosed at item 8.7 of the report that its estimated quarters of funding available was 0.13 quarters. This figure is a function of the form of ASX Appendix 5B, which requires that total available funding (item 8.6) be divided by total relevant outgoings *for the quarter* (item 8.3), which for Genmin included one-off, extraordinary expenses relating to trade payables of US\$3.44 million, rather than by *reasonably anticipated* total relevant outgoings. The Company's board anticipates that total relevant outgoings will be significantly reduced for the quarter ended 30 September 2024 compared to the quarter ended 30 June 2024.

In its June 2024 Quarterly Report, the Company also disclosed that it had cash and cash equivalents as at 30 June 2024 of US\$648,000 (which is equal to A\$954,485.19).¹ Since 30 June 2024, the Company has:

- developed a plan to complete a non-dilutive fundraising in the near term, with the Company being in advanced discussions with lead managers to manage the non-dilutive fundraising and, in order to allow the fundraising to be expedited, having obtained ASIC relief to enable the Company

¹ Based on a AUD:USD exchange rate of 0.6789 as at 28 August 2024.

to issue cleansing notices notwithstanding that trading in the Company's shares has been suspended for more than 5 days in the previous 12 months (given that the Company issued a prospectus in February 2024 and trading in its shares has not been suspended subsequently). The fact that the Company has been progressing funding initiatives to provide working capital for general corporate administration and to continue to advance its Baniaka iron ore project in Gabon (**Baniaka**) concurrently with advancing project financing discussions has been previously announced by the Company in its Quarterly Activities Report for the quarter ended 30 June 2024; and

- received proceeds of A\$201,333.20 from the exercise of Company options.

As at 30 June 2024, the Company's total assets of US\$48.02 million far exceeded its total liabilities of US\$14.78 million (of which US\$13.084 million relates to the accounting treatment of the consideration received by the Company under its royalty agreement with Anglo American plc as a financial liability, notwithstanding that it is not repayable other than by future royalty payments when Baniaka is in production), giving the Company net assets of US\$33.240 million. The Company also did not have any debt, except for ordinary trade and other payables.

3. If the answer to question 1 is 'no', please explain what steps GEN has taken, or proposes to take, to warrant the continued quotation of its securities and its continued listing pursuant to Listing Rule 12.2?

Not applicable.

4. Does GEN's board consider there are reasonable grounds to believe that GEN will be able to pay its debts as and when they become due and payable? In answering this question, please explain the basis for the directors' conclusion.

The Company's board considers that there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

As set out in the response to question 2 above, the Company has developed a plan to raise further capital and, based on its advanced discussions with lead managers, reasonably expects to be able to complete such non-dilutive fundraising in the near term.

5. Please provide the basis for the statements made by GEN's Directors in the Prospectus and GEN Reinstatement Announcement, that GEN would have sufficient working capital available to meet its stated business objectives, commenting specifically on the following:

5.1. GEN had cash and cash equivalents of \$648,000 as at 30 June 2024; and

5.2. GEN had 0.13 quarters funded as at 30 June 2024.

As at the date of the Prospectus and the Company's Reinstatement Announcement, the Company's directors believed that the Company would, following completion of its placement and entitlement offer announced to ASX on 7 February 2024 (**1H CY24 Capital Raising**), have sufficient working capital available to meet the Company's stated near-term business objectives.

This belief was held by the Company directors on the basis of a reconciliation of the total working capital available to the Company following completion of the 1H CY24 Capital Raising against estimated projected costs of completing the Company's stated near-term objectives (see the response to question 6 below for further details of estimated expenses), being to:

- extinguish loans owing to Tembo Capital;
- pay down creditors;
- advance the development of Baniaka, including by
 - progressing negotiations with the government of Gabon for the Baniaka mining convention for the development and operation of Baniaka;

- o progressing negotiations with potential offtake customers to enable the existing memoranda of understanding to be replaced with full form binding agreements; and
- o progressing discussions with potential project build financiers for Baniaka.

There are a range of factors outside of the Company's control that impact the time and cost involved in achieving the Company's objectives, including industry and market conditions as well as the approach of third parties to contractual negotiations.

As a mining exploration entity, the Company does not generate any significant revenue and needs to raise capital from time to time to fund its activities (until such time as it has become a mining producing entity and is generating positive cash flow).

The Company's Prospectus included as a key risk that, if funding for the development of Baniaka was not obtained by the end of June 2024 as targeted, then the Company might need to raise further funds to continue operations prior to obtaining funds sufficient to proceed to development of Baniaka.

In its Appendix 5B Quarterly Cash Flow Report for the quarter ended 30 June 2024 (see item 8.8.2), the Company noted that it was progressing funding initiatives to provide working capital for general corporate administration and to continue to advance Baniaka concurrently with advancing project financing discussions.

6. Please provide a comparison of the GEN's actual expenditure on the individual items in the 'use of funds' statement against the estimated expenditure on those items in the GEN Reinstatement Announcement and an explanation of any material variances.

A comparison of the Company's actual expenditure on the individual items in the 'use of funds' statement against the estimated expenditure on those items in its Reinstatement Announcement, along with an explanation of any material variances, is set out below.

Corporate and general working capital	Estimated		Actual	
	A\$ millions	%	A\$ millions	%
Corporate	1.77	7.6%	1.66	7.3%
Baniaka project costs	3.02	13.0%	2.83	12.5%
Baniaka pre-development works	1.74	7.4%	1.63	7.2%
Libreville office	0.69	3.0%	0.65	2.9%
Bitam and Bakoumba projects	0.48	2.1%	0.45	2.0%
Sub-total	7.7		7.2	
Creditor payments ¹	5.81	24.9%	5.23	23.2%
Costs of the offer ²	1.49	6.4%	1.81	8.0%

Sub-total	7.3		7.0	
Conversion of Tembo Capital loans	8.3	35.6%	8.3	36.8%
Total³	23.3		22.5	

Notes:

1. The variance in historical creditor payments (-10%) is due to several invoices from a labour hire firm in Gabon pending payment while a reconciliation of compulsory social contributions by the firm is completed by an independent advisory firm.
2. The variance in the costs of the offer (+21%) is due to additional legal costs incurred in relation to the preparation of the Prospectus and Supplementary Prospectus, including all relevant disclosures.
3. The variance in total expenditure (-3.6%) is largely due to the residual cash on hand as at 30 June 2024.

7. Please confirm that GEN is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

The Company confirms that it is in compliance with the Listing Rules, including Listing Rule 3.1.

8. Please confirm that GEN's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of GEN with delegated authority from the board to respond to ASX on disclosure matters.

The Company confirms that its responses to the questions above have been authorised and approved by its board.

Yours faithfully

GENMIN LIMITED



Dennis Wilkins

Company Secretary



26 August 2024

Reference: 98666

Mr Dennis Wilkins
Company Secretary
Genmin Limited
London House Suite 3
Level 8 216 St Georges Terrace
Perth WA 6000

By email: dennis@dwcorporate.com

Dear Mr Wilkins

Genmin Limited ('GEN'): ASX Financial Condition Query

ASX refers to the following:

- A. GEN's prospectus released on the Market Announcements Platform ('MAP') on 7 February 2024 for a placement and entitlement offer conducted by GEN ('Prospectus') which disclosed:

The Directors believe that, upon completion of the Placement and Entitlement Offer, the Company will have sufficient working capital available to meet the Company's stated business objectives.

- B. GEN's announcement titled, "Responses to Reinstatement Conditions" released on MAP on 2 April 2024 ('GEN Reinstatement Announcement') which provided GEN's confirmations in satisfaction of the conditions for the reinstatement of its shares to official quotation as set out in the conditional reinstatement letter from ASX to GEN, and disclosed, among other things:

- (i) *"The Company confirms that it complies with ASX Listing Rule 12.1 (Level of operations). As set out in the Prospectus and the Company's Equity Raising Presentation released to the ASX on 7 February 2024, the Company has a clearly outlined level of operations and activity over the next 12-18 months, especially at its 100% owned Baniaka iron ore project.*

The funds raised from the Entitlement Offer and Placement are planned to be used in accordance with the table set out below."

Uses of funds	Actual	
	AUS millions	%
Corporate & general working capital		
Corporate ¹	1.77	7.6%
Baniaka project costs ²	3.02	13.0%
Baniaka pre-development works ³	1.74	7.4%
Libreville office ⁴	0.69	3.0%
Bitam & Bakoumba projects ⁵	0.48	2.1%
Sub-total	7.70	33.1%
Creditor payments	5.81	24.9%
Cost of the Offers	1.49	6.4%
Sub-Total	15.00	64.4%
Conversion of Tembo Capital Loans	8.30	35.6%
Total	23.30	100.0%

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- (ii) *“As set out in Section 3.1 of the Prospectus, the Directors believe that the Company has sufficient working capital available to meet the Company’s stated business objectives. ”*
- C. GEN’s Appendix 5B for the quarter ending 30 June 2024 (‘Appendix 5B’) released on MAP on 31 July 2024 which disclosed:
- (i) GEN incurred \$4,192,000 in operating activities during the quarter (including a repayment of US\$2,093,000 towards creditors);
 - (ii) GEN incurred \$866,000 in investing activities during the quarter;
 - (iii) GEN incurred \$431,000 in financing activities during the quarter;
 - (iv) GEN had cash and cash equivalents of \$648,000 as at 30 June 2024; and
 - (v) GEN had 0.13 quarters funded as at 30 June 2024.

ASX Listing Rules

- D. Listing Rule 12.2 which states:

“An entity’s financial condition (including operating results) must, in ASX’s opinion, be adequate to warrant the continued quotation of its securities and its continued listing.”

- E. Listing Rule 19.11A which states:

“If a listing rule requires an entity to give ASX +accounts, the following rules apply.

- (a) If the entity controls an entity within the meaning of section 50AA of the Corporations Act or is the holding company of an entity, required by any law, regulation, rule or accounting standard, or if ASX requires, the +accounts must be consolidated +accounts.*
- (b) The +accounts must be prepared to Australian accounting standards. If the entity is a +foreign entity the +accounts may be prepared to other standards agreed by ASX.*
- (c) If the listing rule requires audited +accounts, the audit must be conducted in accordance with Australian auditing standards by a registered company auditor. If the entity is a +foreign entity, the audit may be conducted in accordance with other standards agreed by ASX and may be conducted by an overseas equivalent of a registered company auditor.*
- (d) If the listing rule requires +accounts to be reviewed, the review must be conducted in accordance with Australian auditing standards. If the entity is a +foreign entity, the review may be conducted in accordance with other standards agreed by ASX. Unless the listing rule says an independent accountant may conduct the review, it must be conducted by a registered company auditor (or, if the entity is a +foreign entity, an overseas equivalent of a registered company auditor).*
- (e) If there is a +directors’ declaration that relates to the +accounts, the +directors’ declaration must be given to ASX with the +accounts.*
- (f) If there is a +directors’ report that relates to the period covered by the +accounts, the +directors’ report must be given to ASX with the +accounts.”*

Request for information

Having regard to the above, ASX asks GEN to respond separately to each of the following questions:

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1. Does GEN consider its financial condition is sufficient to warrant the continued quotation of its securities and continued listing as required under Listing Rule 12.2?
 2. If the answer to question 1 is 'yes', please explain the basis for this conclusion commenting specifically on the following:
 - 2.1 GEN had cash and cash equivalents of \$648,000 as at 30 June 2024; and
 - 2.2 GEN had 0.13 quarters funded as at 30 June 2024.
 3. If the answer to question 1 is 'no', please explain what steps GEN has taken, or proposes to take, to warrant the continued quotation of its securities and its continued listing pursuant to Listing Rule 12.2?
 4. Does GEN's board consider there are reasonable grounds to believe that GEN will be able to pay its debts as and when they become due and payable? In answering this question, please explain the basis for the directors' conclusion.
 5. Please provide the basis for the statements made by GEN's Directors in the Prospectus and GEN Reinstatement Announcement, that GEN would have sufficient working capital available to meet its stated business objectives, commenting specifically on the following:
 - 5.1 GEN had cash and cash equivalents of \$648,000 as at 30 June 2024; and
 - 5.2 GEN had 0.13 quarters funded as at 30 June 2024.
 6. Please provide a comparison of the GEN's actual expenditure on the individual items in the 'use of funds' statement against the estimated expenditure on those items in the GEN Reinstatement Announcement and an explanation of any material variances.
 7. Please confirm that GEN is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
 8. Please confirm that GEN's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of GEN with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **3 PM AWST Thursday, 29 August 2024**.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, GEN's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out above and may require GEN to request a trading halt immediately if trading in GEN's securities is not already halted or suspended.

Your response should be sent by e-mail to **ListingsCompliancePerth@asx.com.au**. It should not be sent directly to the ASX Market Announcements Office. This is to allow us to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in GEN's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to GEN's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that GEN's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Release of correspondence between ASX and entity

We reserve the right to release all or any part of this letter, your reply and any other related correspondence between us to the market under listing rule 18.7A. The usual course is for the correspondence to be released to the market.

Yours sincerely

ASX Compliance