



**GENMIN**

ASX Announcement

29 October 2021

# Quarterly Activities Report

## Premium iron ore product grades from pilot scale test work and Baniaka Preliminary Feasibility Study ramped-up

### Highlights

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- Leadership breadth and experience further enhanced with appointment of Study Manager, and Manager – Sales and Marketing
- Managing Director and CEO, Joe Ariti and Non-Executive Director, Brian van Rooyen visited Gabon and Baniaka during September and October 2021
- Commencement of workforce COVID-19 vaccine program pending logistics finalisation with Gabonese National Committee for COVID Vaccination
- Baniaka Social and Environmental Impact Assessment process commenced
- Baniaka Preliminary Feasibility Study workstreams ramped-up with appointment of expert consultants
- Premium 65% Fe product grades achieved from commercial scale pilot test work for the first five (5) Baniaka bulk samples
- Value-in-Use assessment of Baniaka Lump and Fines products ongoing at Central South University, China with results expected in the December 2021 quarter
- Resource definition diamond drilling completed at the Bandjougoy Prospect at Baniaka, with assay results due in the December 2021 quarter
- Cash on hand of approximately AU\$22.6 million (at the end of the Quarter)

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 30 September 2021.

Genmin's Managing Director and CEO Joe Ariti commented: "Our second full quarter since listing has been pivotal for the company with a series of major achievements culminating in the ramp-up of feasibility activities, commencement of the social and environmental impact assessment process, completion of diamond resource definition drilling, and further broadening of the executive team with feasibility oversight and in-house marketing and sales expertise enabling direct engagement with Chinese steelmakers. I am particularly pleased with the achievement of premium 65% Fe product grades from the commercial scale pilot plant test work. Further, at the close of the quarter, Genmin continued to have a strong balance sheet with over AU\$22 million in cash".

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## Projects

Genmin holds six (6) iron ore exploration licences in the Republic of Gabon, central West Africa, covering approximately 5,270km<sup>2</sup> (Figure 1). The 100% owned exploration licences form three (3) projects (Table 1).

**Table 1: Genmin's Projects in Gabon**

Project Name	Status
Baniaka Iron Ore Project ( <b>Baniaka</b> )	Feasibility stage
Bakoumba Iron Ore Project ( <b>Bakoumba</b> )	Advanced exploration stage
Minvoul/Bitam Iron Ore Project ( <b>Minvoul/Bitam</b> )	Early exploration stage

The principal focus of Genmin's activities during the September 2021 Quarter (**Quarter**) was at the flagship Baniaka project and includes:

- commencement of the Social and Environmental Impact Assessment (**SEIA**) process;
- acceleration of the Baniaka Preliminary Feasibility Study (**PFS**) scheduled for completion in early 2022;
- completion of pilot scale metallurgical test work and commencement of value-in-use (**VIU**) assessment at Central South University (**CSU**) in China; and
- completion of diamond drilling for resource definition, continuation of shallow infill Auger drilling and mobilisation of the reverse circulation (**RC**) drilling contractor.

A summary of the works completed in the Quarter is outlined below.

### Baniaka

Baniaka is located in the south-east of Gabon and 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). In August, the Company received the Ministerial Order effecting the internal transfer of Baniaka West from Minconsol SA to Reminac. Consequently, Reminac now holds both Baniaka project exploration licenses (Table 9). Baniaka is divided into 12 major prospects of varying maturity (Figure 2).

### COVID-19

Gabon's national COVID-19 vaccination rate remains low at <6% and as part of its ESG commitment, Genmin has developed an initiative to sponsor and support the vaccination of its workforce.

Consequently, Genmin has initiated discussions with the National Committee for COVID Vaccination (**National Committee**) in Gabon to deliver a company sponsored vaccination program. The National Committee offers the choice of the Johnson & Johnson Janssen or Pfizer vaccines. Genmin's sponsored and supported vaccination program is expected to commence in early November 2021.

The Company has direct and indirect exposure to COVID-19 impacts on its exploration operations in Gabon. Direct exposure occurs through potential infection of its, and its contractors' workforces, and indirectly through its drilling contractors' logistics chains, specifically the procurement and transport of supplies and consumables in support of drilling operations.

### Social and Environmental Impact Assessment

During the Quarter, Golder Associates (**Golder**) was appointed to manage the SEIA. Golder has significant and extensive recent experience in Africa with a number of SEIA programs currently underway for major projects.

TEREA, a French company specialising in social, environment and sustainable development, and with a permanent office in Libreville, has been engaged to partner with Golder in the development and execution of the social and environmental baseline studies, which are required to complete the SEIA.

## Preliminary Feasibility Study

During the Quarter, Genmin ramped-up the Baniaka PFS workstreams. The PFS will assess the development plan and economics for a bulk mining operation with a target production rate of 5 million tonnes (dry) per annum (**Mtpa**) of iron ore products and subsequent expansion to 10Mtpa, from Baniaka and will include analysis of prospects at FlouFlou, Bandjougoy, Tsengué and Bingamba North (Figure 2).

### *PFS Consultants*

In respect of the PFS, Genmin has engaged the services of a number of expert consultants with experience in the development of minerals and infrastructure projects, specifically in West Africa (Table 2). Additional consultants covering other fields of expertise will be appointed in the current quarter.

**Table 2: Baniaka PFS consultants by scope**

Scope	Consultant
Mineral Resource Estimation, Mining Study and Mine Schedule	Golder
Process flowsheet development and process plant engineering design, capital and operating cost estimates	Bond Equipment ( <b>Bond</b> )
Mining waste and tailings management	Golder
Review of Owendo Mineral Port ( <b>OMP</b> ), including current operations, expansion and mechanisation/automation plans	PRDW
Shipping study assessing routes, optimisation of demurrage (CFR vs FOB contract structure) and forward freight cost assessment	Agemar UK
Project financial modelling	FTI Consulting

### *Drilling*

#### **Diamond Drilling**

The diamond drilling resource definition program by drilling contractor Boart Longyear Limited (**Boart Longyear**), was completed during October 2021. The receipt of assay results from this program is expected to begin in early November 2021. This program targeted Oxide mineralisation below the Detrital mineralisation at the Bandjougoy Prospect (Figure 2). The Boart Longyear diamond drill rig will remain at Baniaka to complete a separate PFS geotechnical scope of approximately 1,000m.

#### **Reverse Circulation Drilling**

FFA Gabon (**FFA**) mobilised to Baniaka in mid-October 2021. The RC program has commenced four (4) weeks later than planned, however this does not materially affect the PFS completion schedule. The delay in commencement of the program was due to COVID-19 related supply and shipping delays experienced by FFA of certain essential pieces of equipment including the compressor and booster.

#### **Auger Drilling**

Shallow infill drilling in Detrital Iron Deposits (**DID**) zones resumed during the Quarter using two (2) Mobile Drill V2000 Augers owned and operated by the Company. The Augers are man portable and are easily broken down and moved in comparison to larger drilling rigs, thereby providing better agility and productivity. The Auger drilling program is designed to infill existing drill lines at Bingamba North, FlouFlou and the western half of Bandjougoy prospects, to enable an increase in resource classification from Inferred to Indicated/Measured.

#### **Pilot Scale Metallurgical Test Work**

During the Quarter, the Company announced the receipt of commercial scale pilot plant metallurgical results for the first five (5) of 13 bulk samples from Baniaka, comprised of three (3) DID and two (2) Soft Oxide samples.

Test work was conducted by independent, specialist mineral processing and engineering firm Bond in Klerksdorp, South Africa, with chemical analyses performed by the Johannesburg facility of accredited laboratory, ALS Global.

Lump (-32+6mm) and Fines (-6+0.5mm) products were produced utilising a washing (scrubbing), screening and dense media separation flowsheet with commercial sized equipment in pilot plant configuration and are summarised in Table 3.

Generally, iron grades were higher than the earlier laboratory test work and the Platts 62% Fe CFR North China benchmark. Mass yields were in line with earlier test work.

Iron grades range from 63.6 to 65.4%, with overall mass yields between 55.5 and 65.3%. Average DID Lump and Fines yields were 26 and 36% respectively for an overall average yield of 62%.

Based on these data, the expected ratio of Lump and Fines product is 48% and 52% respectively.

**Table 3: Summary Scrubbing, Screening and DMS Results**

Sample	Prospect	Material Type	Head Grade (%Fe)	Market Products	Mass Yield	Product Grades (%)					
						Fe	Al <sub>2</sub> O <sub>3</sub>	SiO <sub>2</sub>	P	S	LOI
MIN06039	Bandjougoy	DID	55.8	Lump	27.7	64.8	2.03	2.34	0.074	0.022	3.3
				Fines	37.6	65.2	1.94	1.98	0.070	0.011	3.1
				<b>Total</b>	<b>65.3</b>	<b>65.0</b>	<b>1.98</b>	<b>2.13</b>	<b>0.072</b>	<b>0.016</b>	<b>3.2</b>
REM05647	Bingamba North	DID	62.7	Lump	31.2	64.6	3.74	0.77	0.055	0.010	3.1
				Fines	33.3	65.9	2.64	0.69	0.048	0.010	2.3
				<b>Total</b>	<b>64.5</b>	<b>65.4</b>	<b>3.11</b>	<b>0.72</b>	<b>0.051</b>	<b>0.010</b>	<b>2.6</b>
REM05645	Bingamba North	DID	55.9	Lump	19.5	62.7	2.49	1.98	0.120	0.051	5.0
				Fines	36.0	64.3	2.07	1.55	0.082	0.038	3.5
				<b>Total</b>	<b>55.5</b>	<b>63.6</b>	<b>2.25</b>	<b>1.73</b>	<b>0.098</b>	<b>0.044</b>	<b>4.1</b>
REM05646	Bingamba North	Soft Oxide	42.0	Lump	18.3	65.4	1.38	2.37	0.112	0.013	3.0
				Fines	12.0	65.4	1.48	2.24	0.082	0.018	2.6
				<b>Total</b>	<b>30.3</b>	<b>65.4</b>	<b>1.44</b>	<b>2.30</b>	<b>0.095</b>	<b>0.016</b>	<b>2.8</b>
MIN06035	Bandjougoy	Soft Oxide	48.0	Lump	20.8	61.2	2.41	6.31	0.110	0.017	3.0
				Fines	24.4	63.2	2.11	5.04	0.096	0.011	2.7
				<b>Total</b>	<b>45.2</b>	<b>62.3</b>	<b>2.24</b>	<b>5.58</b>	<b>0.102</b>	<b>0.014</b>	<b>2.8</b>

In terms of a mine plan, the DID would be mined first as it occurs at the top of the geological profile (Figure 3). Genmin's current Indicated and Inferred DID Mineral Resource inventory is 63Mt (refer ASX release dated 21 July 2021).

The Soft Oxide sits immediately below the DID in the geological profile (Figure 3) and is typically finer grained than the DID with more material reporting to the -1mm size fraction. Consequently, Lump and Fines yields are lower than achieved with DID feed, but an additional Pellet feed product (-0.5+0.05mm) can be produced. Iron grades for Lump and Fines from the two (2) Soft Oxide samples were 62.3 and 65.4%, with an overall mass yield of 30-45%.

Further test work continued during the Quarter using a pilot scale spiral test rig (Figure 4) to assess the Pellet Feed size fraction (nominally -0.5+0.05mm). For Soft Oxide sample MIN06030 (Figure 3), the -0.5+0.075mm size fraction (73% of the sample mass after scrubbing) was subject to a single stage spiral rougher test (Figure 5) and produced a concentrate before cleaning of 62.5% Fe at a mass yield of 41% (Table 4). With a cleaning stage, to follow the rougher stage, the Fe grade is expected to increase and misplaced silica and mass yield will reduce.

**Table 4: Rougher Spiral Test Results for MIN06030**

Head Grade	Yield	Rougher Spiral Concentrate (%)					
		Fe (%)	Mass (%)	Fe	Al <sub>2</sub> O <sub>3</sub>	SiO <sub>2</sub>	P
31.2	41	62.5	0.52	9.3	0.012	0.003	0.74

### Value-in-Use

From a customer perspective, it is the behaviour of iron ores in downstream processing that give them their value. That is, their impact on the sintering or pelletising process, and subsequently blast furnace iron making. It is therefore important to consider this value when developing projects, making mine planning decisions and in setting price differentials for ores of differing qualities.

During the Quarter, the Company despatched to CSU in China, a 700kg Lump sample and a 700kg Fines sample for VIU test work. The VIU samples are composites prepared from the products summarised in Table 3 and are shown in Table 5.

**Table 5: Value-in-Use Samples**

Product	Head Grade (%)					
	Fe	Al <sub>2</sub> O <sub>3</sub>	SiO <sub>2</sub>	P	S	LOI
Lump (-32+6mm)	63.2	2.58	2.66	0.096	0.022	3.8
Fines (-6+0.5mm)	64.6	2.27	2.47	0.066	0.020	3.3

Genmin's Manager – Sales & Marketing, Mr Anthony Chen, travelled to China during the Quarter, to oversee the CSU VIU test program and meet with a number of coastal, Tier 1 (State and Private owned) steel mills.

At the date of this report, the Lump VIU test work (chemical and sizing analysis, porosity and decrepitation, and metallurgical reduction properties) was complete and CSU's conclusions on the value of the Lump product in blast furnace steel making is pending. The Fines VIU test work is ongoing (Figure 6) and scheduled for completion at the end of November 2021. Chemical and sizing analysis, agglomeration and small sinter pot tests are complete. The small sinter pot tests are used to optimise the solid fuel and other producer iron ore Fines sinter blends, before progressing to pilot scale sinter pot tests. Figure 7 shows a sample of Baniaka Fines sinter from the small pot tests.

The VIU test work will inform the financial model to be included in the PFS as to the price differentials for the Company's proposed suite of products and provide steel mills with an initial exposure to Baniaka products.

### Infrastructure Agreements

During the Quarter, discussions continued with Arise Ports & Logistics (**Arise**), the operator of the OMP, under the terms of the Memorandum of Understanding (**MoU**), which was executed in January 2021. Arise and Genmin are progressing the MoU to a Term Sheet for an integrated logistics service including rail transportation and access to OMP's facilities for iron ore export.

### Bakoumba

Bakoumba comprises the Bakoumba (G2-511, 1,029km<sup>2</sup>) and Mafoungui (G7-535, 535km<sup>2</sup>) exploration licences covering a total area of 1,564km<sup>2</sup> (Figure 1).

During the Quarter, the Company was advised by the Gabon Mining Administration that the extension of six (6) years to the third term of validity for the Bakoumba exploration licence was in process.

### Minvoul/Bitam

Minvoul/Bitam comprises the Minvoul (G9-512, 1,362km<sup>2</sup>) and Bitam (G9-590, 1,463km<sup>2</sup>) exploration licences covering a total area of 2,825km<sup>2</sup> (Figure 1).

A geological mapping and sampling program is being planned for the Bitam exploration licence during the December 2021 quarter.

## Corporate

### Leadership Appointments

On 5 August 2021, Genmin announced the appointments of Mr Terry Quaife as Study Manager, and Mr Wenting (Anthony) Chen as Manager – Sales & Marketing.

Terry is responsible for overseeing the Baniaka PFS and related SEIA. He is also responsible for finalising negotiations of Baniaka's rail, port and power supply agreements.

Having recently relocated back to Perth after ten (10) years in Shanghai, Anthony is responsible for establishing and maintaining potential offtake partner and customer relationships, determining Baniaka product positioning having regard to customers' needs and developing sales strategies to deliver maximum value.

The appointments of both Terry and Anthony bring industry experience, proficiency and knowledge across the iron ore value chain.

### Changes in Capital Structure

The following changes in Genmin's capital structure occurred during the Quarter:

- i) On 7 July 2021, 300,000 fully paid ordinary shares were issued subsequent to the exercise of 300,000 Performance Rights on 24 June 2021;
- ii) On 27 August 2021, 3,600,000 Performance Rights lapsed; and
- iii) On 3 September 2021, 2,800,000 Performance Rights were issued subject to certain vesting conditions, and separately 1,450,000 fully paid ordinary shares were issued upon the exercise of vested Performance Rights.

The capital structure of the Company as at 30 September 2021, is summarised in Table 6.

**Table 6: Capital Structure at 30 September 2021**

Securities on Issue	Number
Fully Paid Ordinary Shares	404,708,831 <sup>1</sup>
Unlisted Options @ AU\$0.04 exp 14/08/22	5,800,000
Unlisted Options @ AU\$0.04 exp 06/06/22	124,403
Unlisted Options @ US\$0.15 exp 31/01/23	1,254,479
Unlisted Options @ US\$0.15 exp 31/07/24	530,000
Unlisted Options @ AU\$0.442 exp 07/03/26	5,000,000
Performance Rights	4,335,000

*Note: <sup>1</sup>251,360,564 subject to escrow until 10 March 2023*

On 30 September 2021, Genmin had 456 shareholders, with 88.79% of fully paid ordinary shares on issue held by the top 20 shareholders.

### Change of Registered Office Address

Subsequent to the end of the Quarter, Genmin, in accordance with ASX Listing Rule 3.14 advised the change of its registered office address to:

London House  
 Suite 3, Level 8  
 216 St Georges Terrace  
 Perth WA 6000

## Government and Stakeholders

In mid-September 2021, Managing Director and CEO, Mr Joe Ariti arrived in Gabon for a series of government and key stakeholder meetings to progress various elements of the Baniaka PFS and SEIA. Mr Brian van Rooyen, Non-Executive Director of Genmin, accompanied Mr Ariti to Baniaka in early October 2021, subsequent to the end of the Quarter.

## Investor Relations

Genmin has launched its new-look corporate website at [www.genminigroup.com](http://www.genminigroup.com), providing a greater interactive experience to keep shareholders, investors and stakeholders up to date with the Company's latest news and information. Genmin also encourages shareholders and stakeholders to follow the Company's social media channels, [Twitter](#) and [LinkedIn](#).

## Compliance

### Related Party Transactions

In accordance with ASX Listing Rule 5.3.5, Table 7 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 7: Related Party Transactions**

Related Party	Description	Amount US\$
Directors	Fees	50,000
	Salary	54,951
	Superannuation	5,220
	Extra Exertion Fees	2,889
<b>Total</b>		<b>113,060</b>

## Uses of Funds

In accordance with ASX Listing Rule 5.3.4, the comparison between the uses of funds stated in the Prospectus and the actual spending is shown in Table 8.

**Table 8: Uses of Funds<sup>1</sup>**

Category	Prospectus AU\$	Prospectus US\$	Actual US\$	Variance US\$
Baniaka Preliminary Feasibility Study	15,146,000	11,662,000	1,979,359	9,682,641
Bakoumba Resource Definition	1,766,000	1,360,000	17,558	1,342,442
Minvoul/Bitam Regional Exploration	476,000	367,000	1,877	365,123
Capital Items	670,000	516,000	185,384	330,616
General and Administration	1,831,000	1,410,000	255,292	1,154,708
Expenses of the Offer <sup>2</sup>	2,621,000	2,018,000	1,955,427	62,573
Working Capital	7,490,000	5,767,000	1,591,712	4,175,288
<b>Total</b>	<b>30,000,000</b>	<b>23,100,000</b>	<b>5,986,609</b>	<b>17,113,391</b>

Notes:

<sup>1</sup>Subject to modification based on the outcome and success of exploration programs, definition drilling and feasibility studies.

<sup>2</sup>As stated in the Q2 2021 Quarterly Activities Report (see ASX Announcement on 30 July 2021), all expenses related to the initial public offering (Expenses of the Offer) have been finalised, resulting in a minor positive variance for this category.

The use of funds summarised in Table 8 contemplated a two (2) year spend period, and the Company has only been listed for seven (7) months. Consequently, actual expenditure shows large favorable timing variances to the use of funds, notwithstanding work programs are progressing broadly in line with those set out in the Prospectus.

## Licence Schedule

The Company's interests in exploration licences are summarised in Table 9.

**Table 9: Genmin's Exploration Licences in Gabon**

Exploration Licence	Registered Holder <sup>1</sup>	Location	Genmin interest	
			Start of Q3 2021	End of Q3 2021
G2-537	Reminac	Gabon	100%	100%
G2-572	Reminac <sup>2</sup>	Gabon	100%	100%
G2-511	Kimin Gabon S.A.	Gabon	100%	100%
G7-535	Reminac	Gabon	100%	100%
G9-512	Azingo Gabon S.A.	Gabon	100%	100%
G9-590	Azingo Gabon S.A.	Gabon	100%	100%

Notes:

<sup>1</sup>Reminac, Minconsol S.A., Kimin Gabon S.A. and Azingo Gabon S.A. are 100% owned subsidiaries of Genmin Limited.

<sup>2</sup>The transfer of Exploration Licence G2-572 from Minconsol S.A. to Reminac was approved during the Quarter.

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

**For further information, please contact:**

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### Follow GEN



## Competent Person's Statements

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The information in this announcement, which relates to the digital geological modelling, Mineral Resource Estimate and classification is based on information compiled by Richard Gaze who is a full-time employee of Golder, and Member and Chartered Professional of the Australasian Institute of Mining and Metallurgy. Mr Gaze has sufficient relevant experience to the style of mineralisation and type of deposit under consideration and to the activity for which he is undertaking to qualify as a Competent Person as defined in the JORC Code (2012 Edition).

The information in this announcement which relates to the reporting of metallurgical results is based on information compiled by Giuseppe Ariti who is a full-time employee, and shareholder, of Genmin Limited. Mr Ariti is a member of the Australasian Institute of Mining and Metallurgy and has sufficient, relevant experience to the style of mineralisation and type of deposit under consideration and to the activity for which he is undertaking to qualify as a Competent Person as defined in the JORC Code (2012 Edition). Mr Ariti consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

## About Genmin

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**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 2,450km<sup>2</sup> of landholding and 121km of iron mineralised strike with only 12% 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.

Gabon is a stable central West African country with a mining and oil production history dating back to the early 1960s. It is currently the second largest producer of manganese ore in the world and eighth largest crude oil producer in Africa.

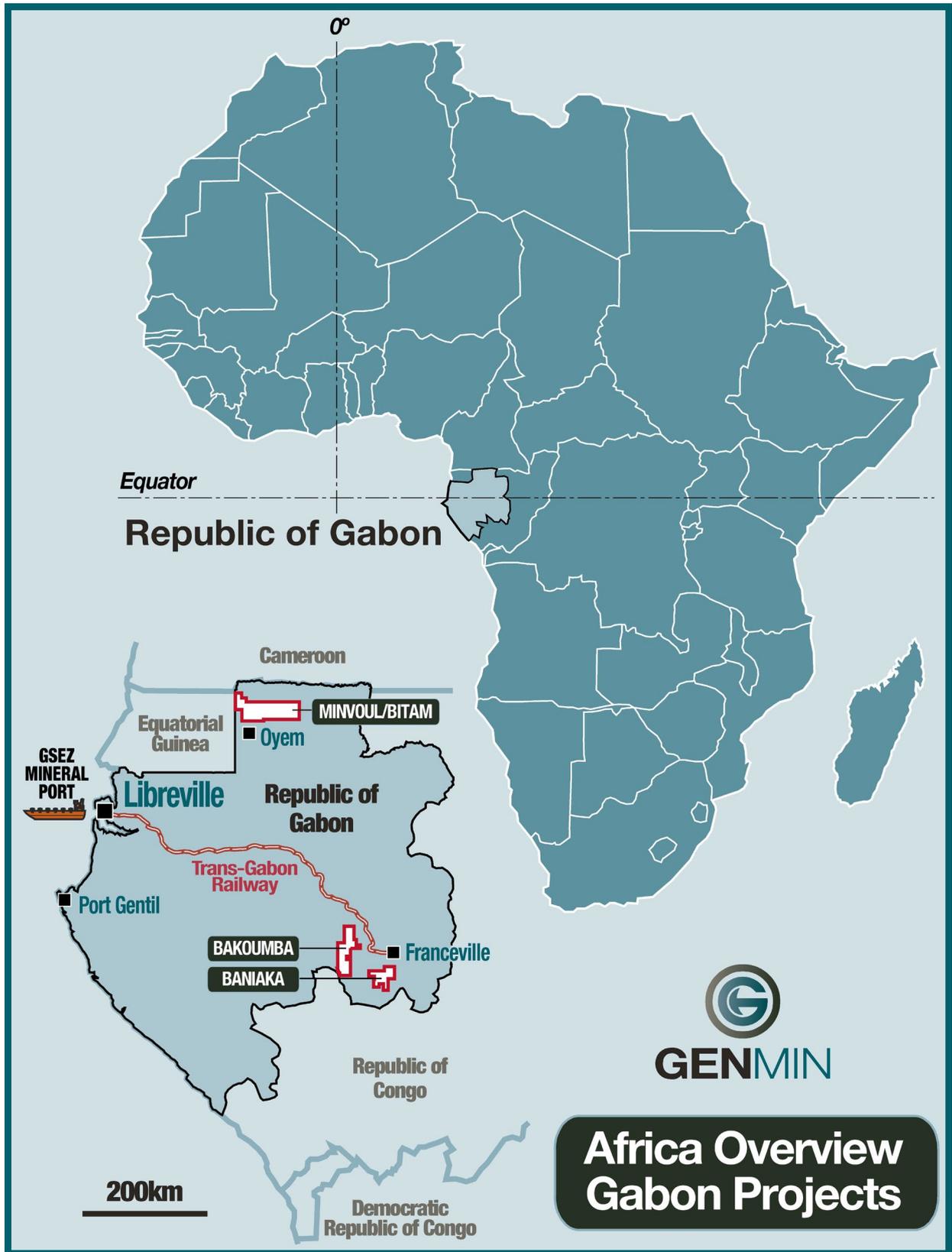


Figure 1: Location map of Genmin’s iron ore projects in Gabon, central West Africa

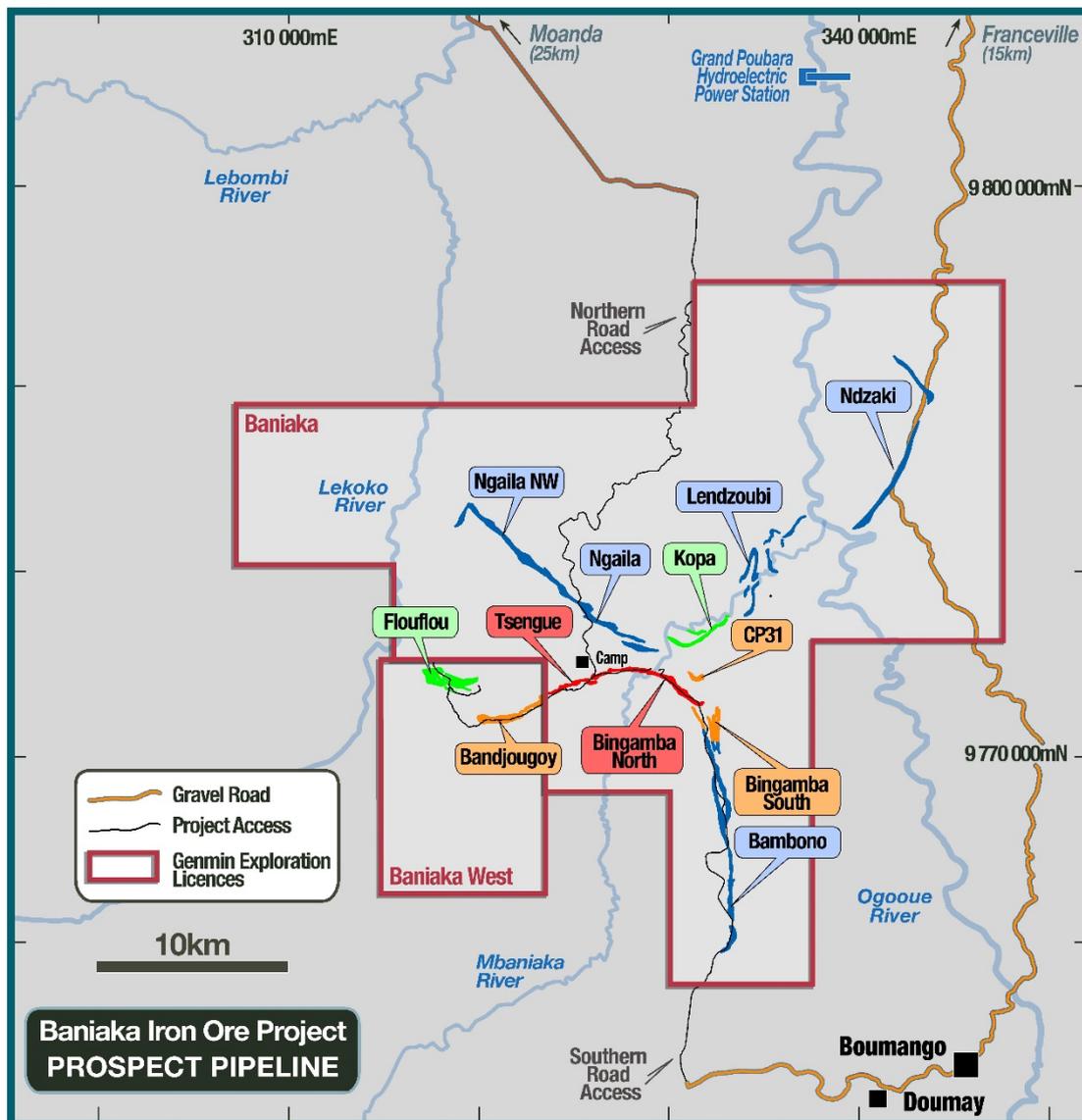
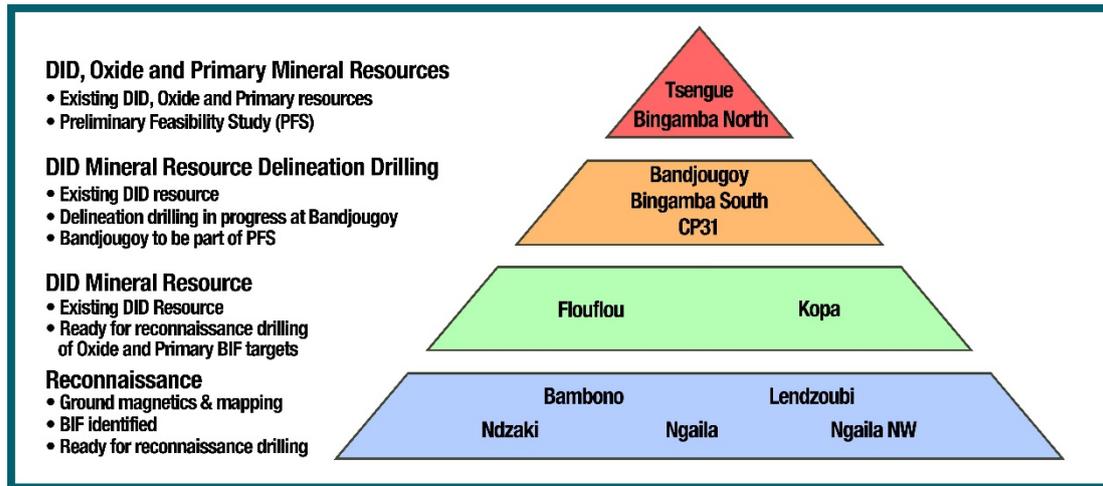


Figure 2: Baniaka prospect pipeline showing major prospect locations and maturity

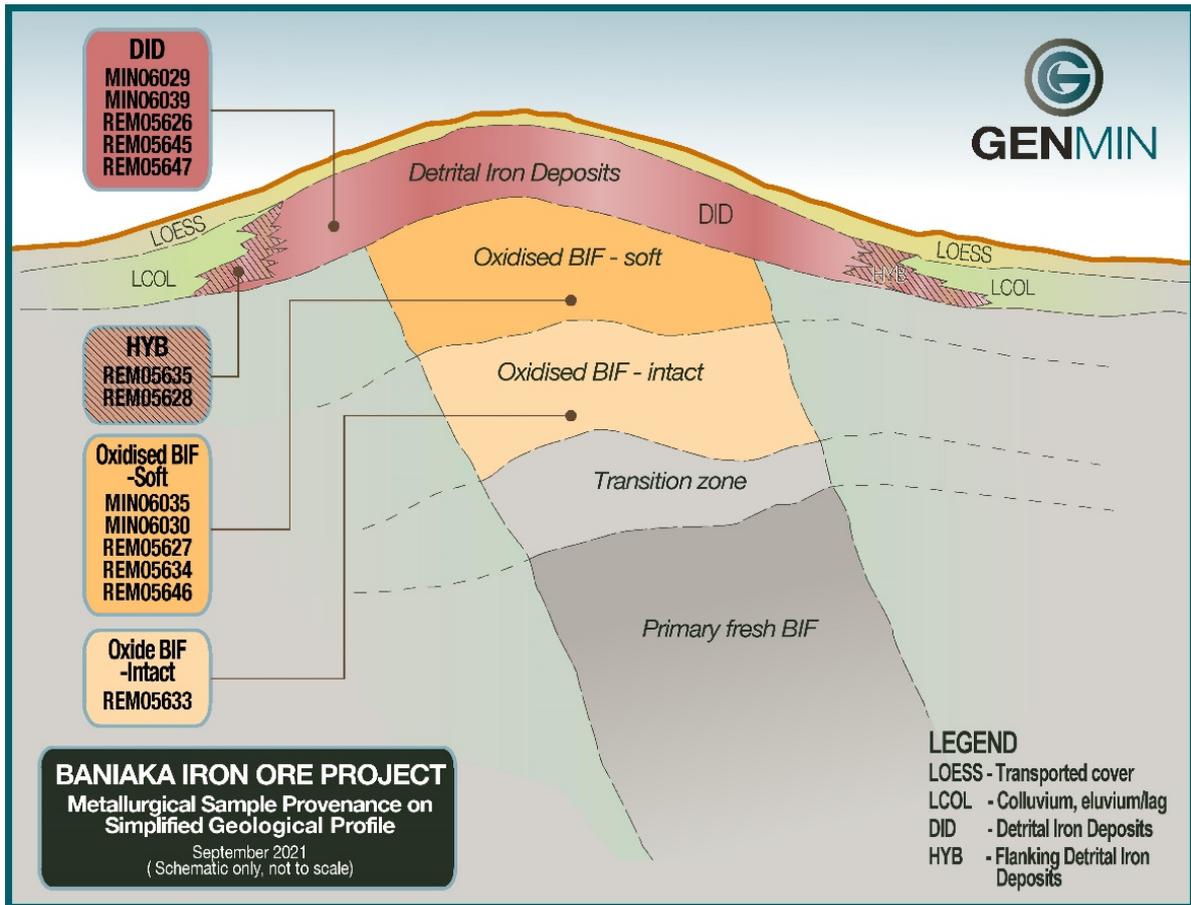


Figure 3: Schematic cross section of Baniaka iron ore mineralisation, also showing respective mineralisation zones for bulk sample selection



**Figure 4: Spiral test rig used by Bond Equipment during the pilot scale test work program**



**Figure 5: Rougher spiral separation showing iron concentrate on the inside and gangue on the outside**



Figure 6: VIU test work at Central South University, Changsha, Hunan, China



**Figure 7: Sinter produced from Baniaka Fines in small pot tests**