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Offtake MoU signed with Hunan Valin for 2.4Mtpa of Baniaka Green® iron ore products

Highlights

- Genmin has signed a non-binding Memorandum of Understanding with Hunan Valin Steel Co. Ltd to sell and deliver 2.4 million tonnes per annum of Baniaka Green® iron ore products for a term of two years.
- Hunan Valin is a majority state-owned enterprise listed on the Shenzhen Stock Exchange that is ranked within the top 15 global crude steel producers with more than 23,000 employees.
- Hunan Valin's parent, Hunan Steel was an early investor and offtaker in Fortescue Metals Group Ltd and is currently its second largest shareholder with an ~8.7% stake, now valued at ~AU\$6 billion.
- Memoranda of Understanding with Minmetals and Jianlong extended to 31 December 2024.
- Three Memoranda of Understanding have now been signed by Genmin for potential total offtake of 14.8 million tonnes of Baniaka Green® Fines, Lump and Pellet Feed products over initial terms of two or three years with 71% of demand for Fines, 24% for Lump, and 5% for Pellet Feed.

Emerging greener African iron ore producer, Genmin Limited (**Genmin** or the **Company**) (ASX: GEN) is pleased to announce that it has now entered into a further non-binding Memorandum of Understanding (**MoU**) for a potential offtake agreement for Baniaka Green® Fines, Lump and Pellet Feed iron ore products from its 100% owned Baniaka iron ore project (**Baniaka**), located in the Republic of Gabon, west Central Africa (Figure 1).

The MoU is with Valin Hongkong International Trade Co. Limited, a subsidiary of Hunan Valin Steel Co. Ltd (**Hunan Valin**), a listed, majority state-owned enterprise (**SOE**) engaged in the production and sale of steel products. It was founded in 1997 through the merger of several smaller SOEs and is 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 26.4 million tonnes (**Mt**) in 2022 with a workforce of more than 23,000 employees.

Managing Director and CEO, Joe Ariti commented: "We are privileged to have signed this MoU with Hunan Valin, a group of substantial balance sheet capacity that has shown long-term loyalty through the purchase of iron ore from FMG. We look forward to developing a similarly strong and long-term relationship with Hunan Valin."

He added: "With the signing of this MoU, Genmin now has potential sales of approximately 15 million tonnes of Baniaka Green® iron ore products to be balanced over its production profile of 5 million tonnes per annum, which nominally provides sales coverage for the first three years of operations".

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.

On 15 December 2021 and 12 January 2022, Genmin announced it had signed non-binding MoUs with China Minmetals Corporation (**Minmetals**) and Jianlong Group (**Jianlong**) respectively, to sell and deliver 1.5Mt per annum (**Mtpa**) of Fines and 0.5Mtpa of Lump products for a term of three and two years respectively. Both the MoUs with Minmetals and Jianlong required that formal agreements be completed by 30 June 2023, otherwise they would lapse.

These MoUs have been extended with formal agreements now required to be put in place by 31 December 2024.

At the date of this announcement, Genmin has signed non-binding MoUs with Minmetals, Jianlong and Hunan Valin. The potential offtake quantity is approximately 15Mt of Baniaka Green® iron ore products for initial terms of either two or three years. The product demand is approximately 71% Fines, 24% Lump, and 5% Pellet Feed.

The key terms of the MoU with Hunan Valin are set out below:

- The MoU is non-binding and Hunan Valin and Genmin will use all reasonable endeavours to enter into a legally binding offtake agreement by 31 December 2024 under which the Company will sell and deliver, and Hunan Valin will buy and take delivery of, 1.5Mtpa of Fines, 0.5Mtpa of Lump, and 400,000tpa of Pellet Feed products from Baniaka for a term of two years;
- Pricing of iron ore product will be determined by reference to the Platts Iron Ore Index, or another agreed price index; and
- Any legally binding agreement will be subject to standard conditions precedent for an offtake agreement of this nature, including receipt of all required approvals from government authorities and the commencement of commercial production at Baniaka.

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 5,064km².

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 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 located near the Woleu-Ntem provincial capital of Oyem.



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