

Genmin gathers pace in Gabon

Iron ore developer Genmin Ltd has delivered its first major milestone since listing on the ASX earlier this year, increasing the indicated tonnage for its Baniaka project in Gabon by 107%.

Last month's resource update was based on drilling completed over the Tsengue and Bandjougoy prospects prior to Genmin's debut on the bourse in March. Indicated resources at Baniaka now total 24mt, representing 38% of the overall project inventory.

A combination of diamond and RC drilling is now under way at Baniaka as Genmin seeks to convert more of its inferred resource base to indicated and measured status ahead of a PFS which is slated for release in Q1 2022.

Life has changed considerably for Genmin in the months post its IPO, according to managing director Joe Ariti, who established the company as a public unlisted group almost a decade ago during the final stages of the last iron ore boom. The company now holds circa \$28 million cash to progress through the various phases of studies, while the in-house team has been expanded to reflect the multiple ongoing work streams required to move towards development and production.

Ariti said the company made the decision to come to market on the back of a number of key catalysts, not least the advanced nature of the Baniaka project.

"When we looked at the reasonable prospects of eventual economic extraction of those resources at Baniaka, we could see a 10-year mine life starting at 5 mtpa and going to 10 mtpa," Ariti told **Paydirt**. "So, we thought in terms of taking the project to the next level, formalising the feasibility study, putting in place a mining permit and actually starting the mining process, the best way to access capital would be to list the company.

"The other side of it was the capital markets off the back of COVID. We could see as China emerged from its own shutdown, the stimulus package it had put in place was largely infrastructure and steel intensive, which led to a demand for iron ore and opened that window around iron ore pricing and in particular gave us strong tailwinds for the listing.

"So, a couple of things aligned but in

saying that, we didn't float Genmin because there were these tailwinds and positive sentiment around iron ore. It's something we've been systematically working on since 2012. We'd already spent \$US30 million to that point and whilst we're calling this a PFS because we don't have the resource classification under JORC, a lot of the work we're doing now is actually far more advanced than that."

More than 25,000m of drilling, including almost 11,000m of diamond holes, had been completed at Baniaka when Genmin brought the project to market.

A diamond rig was operating on double shift at the time of print and is set to complete a 2,000m programme later this month before the start of a 10,000m infill drilling campaign.

While the drill rigs will be busily turning for the balance of the calendar year, Genmin has also placed a high emphasis on pilot-scale metallurgical test work via a facility at Bond Equipment in South Africa.

Bond is currently running a 21t bulk sample through its facility to test the proposed Baniaka flowsheet at a large scale. At the end of this process, potential FEED criteria will be available for the eventual processing plant which will be built at the company's South African campus and then assembled on site.

"The traditional way of building a plant where you have a construction camp of 300 people and you have a piping contract, you have an electric contract and you have a plate contract, we don't need that. It's all being done in South Africa under controlled conditions," Ariti said.

"We're not going down the classical approach of doing a PFS and then spending another year doing a BFS for a very simple washing, screening and potentially DMS iron ore circuit. There's not a lot of risk, particularly now that we've got to this point of testing bulk samples in South Africa, generating design criteria and selecting the equipment components for the plant which would be manufactured on campus first and then assembled on site."

Ariti, who oversaw the successful African Iron story prior to founding Genmin, said he was always confident iron ore



Genmin restarted drilling in Gabon ahead of a PFS for the Baniaka iron ore project due early next year

would rally after remaining in the doldrums for the best part of a decade and is still a firm believer there is only one destination for potential development projects outside of Brazil and the Pilbara.

"When we set Genmin up in 2012 as an iron story, even though the cycle was moving into a downward position, we knew it would come back again because the world will always have a demand for steel," he said.

"At the time, we didn't foreshadow COVID and how rapidly it would come back and how sustained it would be. We also felt the Chinese for a long time have wanted to diversify supply, that's why they went looking in Africa in the last boom so we knew they would return to look at good iron ore projects."

– Michael Washbourne