Baniaka Resource ~700mt; PFS Advancing

Mineral Resource Grows to ~700mt (from 260mt)

Genmin's (GEN) flagship Baniaka project in Gabon, Central West Africa, has substantially increased its Mineral Resource to ~700mt from 260mt, which includes an increased detrital iron deposit (DID) and oxide resource of 265mt. The upgrade is due to a significant drilling campaign on the Bandjougoy prospect within Bainaka. The Resource is based on drilling across 15km strike (total strike is 85km). Baniaka's initial production is 5mtpa, with potential expansion to 10mtpa. The new DID and oxide resource is sufficient to cover 10mtpa for 26 years. The resource has magnetite potential within it.

PFS Advancing – A Major Milestone; Cash Available

GEN continues to advance the workplan underpinning the pre-feasibility study (PFS) for Baniaka, with an update targeted mid CY2022. The company reported cash on hand of US$9.05m as of 31 March. We consider this adequate to complete the remaining works and deliver the PFS, which we expect to be a significant de-risking milestone for the company.

Value-in-Use Study Indicates 17% Fines Premium

In May 2022, GEN reported results of a value-in-use (VIU) study completed by China's Central South University (which provides similar analysis for Chinese steel mills and existing iron ore export majors, eg BHP, RIO, FMG, Vale). The study suggests Baniaka's fines (~60% of total production) should achieve a ~17% premium to the benchmark price (Pilbara Blend Fines). GEN expects Baniaka lump to be priced in line with the benchmark.

Hydroelectricity Solution Secured – Key Green Input

In April 2022, GEN secured an MoU for the supply of 30MW of hydroelectricity for Baniaka from the ~200MW Grand Poubara station which provides for all of Baniaka's Phase 1 power requirements. Terms include 20 years of supply at <10¢/kWh. A 30km transmission line will be constructed and funded by GEN from Baniaka.

3 Offtake MoUs Secured to Date – Strong Interest

GEN has 3 offtake MoUs with prospective Chinese customers amounting to a total 16mt of product. The proposed scale of Baniaka is currently 5mtpa with potential expansion to 10mtpa. The interest is strongly indicative of Baniaka's unique characteristics, including its high grade, high quality and near-surface mineralisation with proximity to existing critical infrastructure links (rail, roads and port).

Iron Ore Prices Remain Robust – US$135/Tonne

Chinese interest in sourcing high-quality African iron is rising, creating a clear opportunity for alternative export suppliers of high-grade iron ore. Commodities markets remain robust across the board; spot benchmark iron ore prices are currently trading at ~US$135/t (62% Fe, CFR China).

Genmin Ltd (GEN) is an African iron ore exploration and development company with projects in the Republic of Gabon. The company has invested ~US$35m developing a pipeline of iron ore projects in Gabon over 9 years prior to listing on the ASX. After raising $30m in a March 2021 IPO, GEN is now proceeding to advance a PFS on Baniaka and to conduct further exploration work at Bakoumba and Minvoul/Bitam. GEN's vision is to develop a long-life iron ore export hub in Gabon.

https://www.genmingroup.com/

Stock	Genmin Ltd (GEN)
Price	A$0.17
Market cap	A$69m
Valuation	A$0.62 (no change)

Next steps

Mid CY22: Baniaka PFS completion

GEN share price from listing

Michael Bentley
michael.bentley@mstaccess.com.au

Valuation: A$0.62/Share (No Change from Initiation)

The key to our risked A$0.62 valuation is the successful development of Baniaka. Spot valuation is A$1.49. Key risks: permitting, securing capacity at key infrastructure links, completion of required upgrades, and access to funding.

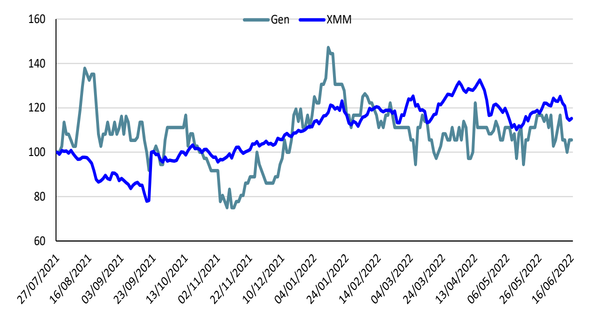
Exhibit 1 – Financial summary (year-end 31 December)

Share Price	A$/sh					**0.17**
52 week high/low	A$/sh					0.32/0.14
Valuation	A$/sh					1.49
Market Cap (A$m)	A$m					69
Net Debt / (Cash) (A$m)	A$m					(13)
Enterprise Value (A$m)	A$m					56
Shares on Issue	m					406
Options/Performance shares	m					19
Other Equity	m					547
Potential Diluted Shares on Issue	m					972

INVESTMENT FUNDAMENTALS		Dec-20	Dec-21	Dec-22e	Dec-23e	Dec-24e
Reported NPAT	US$m	(2.8)	(4.0)	(6.1)	(5.9)	(6.0)
Underlying NPAT	US$m	(2.8)	(4.0)	(6.1)	(5.9)	(6.0)
EPS Reported (undiluted)	¢ps	(0.9¢)	(1.0¢)	(1.5¢)	(1.5¢)	(0.9¢)
EPS Underlying (undiluted)	¢ps	(0.9¢)	(1.0¢)	(1.5¢)	(1.5¢)	(0.9¢)
Underlying EPS Growth	%	n/a	n/a	n/a	n/a	n/a
P/E Reported (undiluted)	x	n/a	n/a	n/a	n/a	n/a
P/E Underlying (undiluted)	x	n/a	n/a	n/a	n/a	n/a
Operating Cash Flow / Share	A$	(0.01)	(0.02)	(0.02)	(0.02)	(0.01)
Price / Operating Cash Flow	x	(16.7)	(9.7)	(10.7)	(11.1)	(26.1)
Free Cash Flow / Share	A$	(0.02)	(0.03)	(0.03)	(0.03)	(0.23)
Price / Free Cash Flow	x	(10.6)	(5.3)	(5.6)	(5.7)	(0.7)
Free Cash Flow Yield	%	-9.4%	-19.0%	-17.8%	-17.5%	-137.1%
Book Value / Share	A$	0.08	0.10	0.11	0.10	0.15
Price / Book	x	2.2	1.7	1.6	1.8	1.2
NTA / Share	A$	0.08	0.10	0.11	0.10	0.15
Price / NTA	x	2.2	1.7	1.6	1.8	1.2
Year End Shares	m	300	405	405	405	972
Market Cap (spot)	A$m	51	69	69	69	165
Net Debt / (Cash)	A$m	0	(13)	(11)	(3)	49
Enterprise Value	A$m	51	56	58	66	214
EV / EBITDA	x	n/a	n/a	n/a	n/a	n/a
Net Debt / Enterprise Value		0.0	(0.2)	(0.2)	(0.0)	0.9

PRODUCTION AND PRICING		Dec-20	Dec-21	Dec-22e	Dec-23e	Dec-24e
Lump (dmt)	dmt	-	-	-	-	-
Coarse Fines +1mm (dmt)	dmt	-	-	-	-	-
Fines -1mm (dmt)	dmt	-	-	-	-	-
Benchmark 62% Fines (US$/dmt CFR C	US$/t	-	-	132	138	138
AUDUSD	:	0.69	0.75	0.70	0.70	0.70

12-Month Relative Performance vs S&P/ASX Metals & Mining



Profit & Loss (US$m)	Dec-20	Dec-21	Dec-22e	Dec-23e	Dec-24e
Sales	0	0	0	0	0
Expenses	(3)	(4)	(6)	(6)	(6)
EBITDA	**(3)**	**(4)**	**(6)**	**(6)**	**(6)**
D&A	(0)	(0)	(0)	(0)	(0)
EBIT	**(3)**	**(4)**	**(6)**	**(6)**	**(6)**
Net Interest	(0)	(0)	(0)	0	0
Profit Before Tax	(3)	(4)	(6)	(6)	(6)
Tax	0	0	0	0	0
Underlying NPAT	**(3)**	**(4)**	**(6)**	**(6)**	**(6)**
Exceptionals	0	0	0	0	0
Reported Profit	**(3)**	**(4)**	**(6)**	**(6)**	**(6)**

Balance Sheet (US$m)	Dec-20	Dec-21	Dec-22e	Dec-23e	Dec-24e
Cash	1	13	11	3	58
Receivables	0	0	0	0	0
Inventory	-	0	-	-	-
PP&E	0	0	4	8	162
Other	24	29	29	29	29
Assets	**25**	**43**	**45**	**41**	**250**
Creditors	1	2	2	2	2
Debt	1	-	-	-	107
Leases	0	0	0	0	0
Provisions	-	-	-	-	-
Other	-	-	-	-	-
Liabilities	**2**	**2**	**2**	**2**	**109**
Net Assets	**24**	**41**	**43**	**39**	**141**

Cashflow (US$m)	Dec-20	Dec-21	Dec-22e	Dec-23e	Dec-24e
Cash From Operations	(2)	(5)	(4)	(4)	(4)
Interest	0	0	(0)	0	0
Tax	-	-	-	-	-
Net Cash From Operations	**(2)**	**(5)**	**(5)**	**(4)**	**(4)**
Capex	(0)	(0)	(0)	(0)	(150)
Exploration	(1)	(4)	(4)	(4)	(4)
Investments	-	-	-	-	-
Free Cash Flow	**(3)**	**(10)**	**(9)**	**(8)**	**(159)**
Equity	4	22	7	-	107
Borrowings	(0)	(0)	-	-	107
Dividend	-	-	-	-	-
Net Increase / (Decrease) in Cash	**1**	**12**	**(2)**	**(8)**	**56**

Source: Company data, MST estimates.

Baniaka's Mineral Resource Grows to ~700mt from 260mt

Genmin's (GEN) flagship Baniaka project has substantially increased its Mineral Resource (MRE) to ~700mt from 260mt, due to GEN's significant drilling campaign on the Bandjougoy prospect within Baniaka. The Resource is based on drilling across 15km strike (total strike is 85km).

Bandjougoy Drilling Provides Significant Upgrade

Baniaka is divided into 12 major prospects at different levels of maturity (See Exhibit 4) and has three key ore zones;

- Detrital iron deposits or DID which is at surface
- Oxide which sits below the DID
- Primary which is below the oxide and is magnetite

The increase in the MRE is based on assay results from an additional 43 holes for 4,280m of diamond drilling completed in the Bandjougoy prospect area.

The key outcomes from the resource increase are;

- The DID resource increased by 1.5mt, with the Bandjougoy DID resource being fully converted to Indicated following infill drilling campaign. Indicated Resource enables the estimation of Ore Reserves.
- The oxide resource has increased from 92mt to 201mt
- The primary resource has increased from 106mt to 432mt
- Resource updates from Flouflou and Bingama North prospects to follow

Exhibit 2 – Updated Baniaka Resource

Material	Class	Tonnes (Mt)	Fe (%)	SiO_2 (%)	Al_2O_3 (%)	P (%)	S (%)	LOI
DID	Indicated	37.1	47.5	15.9	8.2	0.720	0.068	7.6
DID	Inferred	27.5	45.6	18.2	8.5	0.071	0.078	7.2
Total DID	Indicated and Inferred	**64.6**	46.7	16.9	8.3	0.072	0.072	7.4
Oxide	Inferred	201.4	41.4	32.8	3.4	0.560	0.038	3.8
Total DID and Oxide	Indicated and Inferred	**266.1**	42.7	29.0	4.6	0.060	0.046	4.7
Primary	Inferred	**432.1**	33.2	45.1	2.2	0.056	0.670	1.1
Total DID, Oxide & Primary	Indicated & inferred	**698.2**	**36.8**	**38.9**	**3.1**	**0.570**	**0.059**	**2.4**

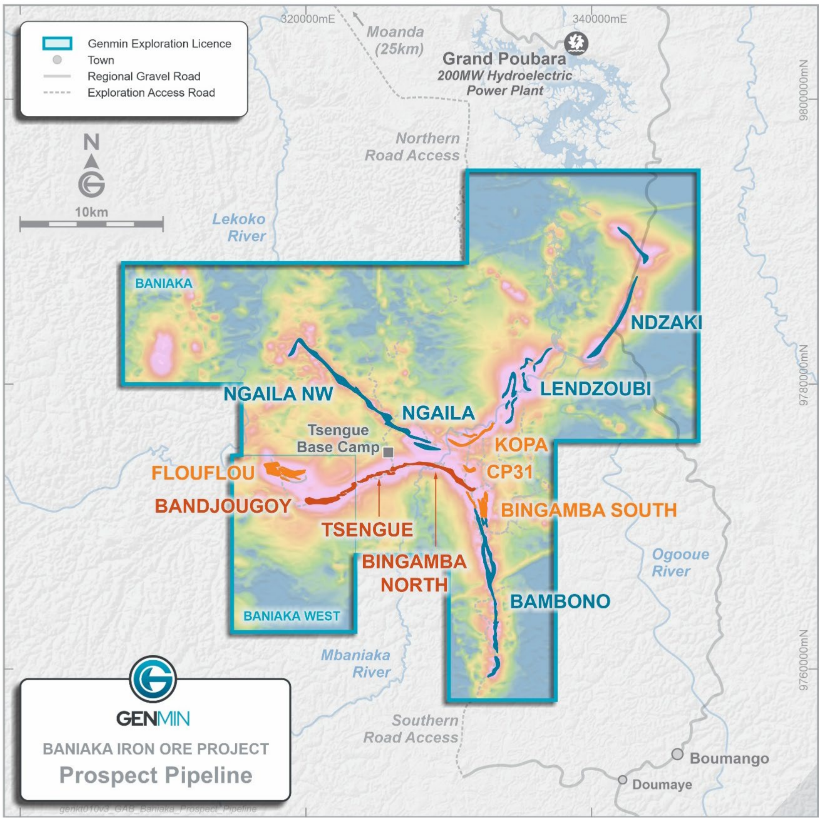
Source: GEN.

Exhibit 3 – Updated Baniaka Resource compared to Previous

		New Resource		Previuos Resource	
Material	Class	Tonnes (Mt)	Fe (%)	Tonnes (Mt)	Fe (%)
DID	Indicated	37.1	46.4	24.0	46.4
DID	Inferred	27.5	46.7	39.1	46.7
Total DID	Indicated and Inferred	**64.6**	46.6	**63.1**	46.6
Oxide	Inferred	201.4	41.4	91.6	41.4
Total DID and	Indicated and Inferred	**266.1**	43.5	**154.7**	43.5
Primary	Inferred	**432.1**	33.1	**105.7**	34.9
Total DID, Oxide &	Indicated & inferred	**698.2**	**36.8**	**260.4**	**40.0**

Source: GEN.

Exhibit 4 – Baniaka Prospects



Source: GEN.

DID and Oxide Resource Comfortably Cover Initial Production Plans

Baniaka's initial production is 5mtpa, with potential expansion to 10mtpa. The new DID and oxide resource of 265mt is sufficient to cover 10mtpa for 26 years.

Surface accumulations of DID Mineral Resources at Bandjougoy will form the starter mining area at Baniaka.

Magnetite Focus Increasing - Primary Ore a Future Magnetite Project

The primary ore can be looked at as a future magnetite project. Magnetite produces a higher-grade cleaner concentrate that is attracting more attention in the marketplace, as the steel market moves to produce "green steel".

Immediately north of Gabon in Cameroon, and within 200km of Genmin's Minvoul/Bitam project, Sinosteel has committed more than US$700 million to develop its Lobé (Mamelles) magnetite project to produce 4 million tonnes per annum of concentrate.

The key outcomes of this project are the increasing importance of magnetite products in the market, and China's stated policy of developing/procuring African sources of supply.

Resource Underpins PFS

The increase in the resource provides one of the key inputs into the upcoming PFS which is explained in more detail below.

Upcoming PFS Results – A Major Milestone

PFS to Firm Up Project Parameters…

The PFS for Baniaka is targeted for mid CY2022. This study, which will be a major milestone in the development of the project, will provide the key inputs for the project and give a significantly firmer indication of the value of the Baniaka project.

… in the Meantime, Current Assumptions Suggest a Robust Project

Pending the release of the PFS, we make the following key underlying assumptions:

- **operation life:** a 10-year bulk open-pit mining operation at Baniaka with an initial 5mtpa operation, followed by an expanded 10mtpa operation commencing in Year 3 of production (after completion of a rail spur)
- **path to production post PFS:** after the PFS is completed, a 6-month process to complete a FS will follow, including detailed design, engineering, and the announcement of a financing package. We assume first production in CY2025 after a 12–18 month construction and ramp-up period
- **ownership:** under the current mining regulations, Gabon is entitled to 10% participation right in the project. We have assumed that GEN owns 90% of the project in our valuation
- **product grade and pricing:** the fines products from Baniaka will be higher grade than the 62% iron ore benchmark. CSU VIU testing indicates a ~17% premium to the benchmark price (Pilbara Blend Fines) and that the Baniaka lump will be priced in line with the lump benchmark
- **Phase 1 capex** of US$150m to achieve 5mtpa
- **Phase 2 capex** of US$140m with ramp-up to expanded 10mtpa capacity taking place in 2028
- **cash costs:** given Baniaka's very low strip ratio, simple processing and existing infrastructure, GEN should be a relatively low-cost producer. We estimate the cash cost pre royalties will be US$40/t
- **shipping costs:** shipping distances to China from Gabon are significantly further than from Australia – more in line with the distance from Brazil to China. We estimate the shipping cost to China to be US$30/t. We consider this very conservative, reflecting tight shipping markets.

Key Assumptions of Capex and Opex to Be the Focus

With the recent VIU analysis confirming the premium iron ore pricing structures likely to be incorporated into the PFS (see further details below), and production targets well flagged by the company, the key assumptions which will be of most interest in the forthcoming PFS are capital and operating costs.

These two inputs are key drivers of the value of the project and GEN's ability to obtain the required funding.

Not Standing Still – Pieces of the Puzzle Coming Together

GEN has been working towards the release of the PFS, and has several key components confirmed, with others well advanced.

Value-in-Use Results Indicate 17% Fines Price Premiums

GEN's Baniaka iron ore fines and lump products are likely to be high quality based on testing to date. The fines product is targeted to have higher iron ore content and low impurities and attract a premium to the benchmark iron ore fines price, while the lump product will be priced in line with the lump benchmark.

GEN engaged Central South University (CSU) in China to assess the Baniaka products and determine Value In Use (VIU). CSU is a well-recognised institution which regularly provides similar analysis for Chinese steel mills and existing iron ore export majors such as BHP, RIO, FMG and Vale.

How was this expected price premium calculated?

The VIU work program followed a process of grade and chemical characterisation, physical testing for strength and evaluation of metallurgical performance in iron making (lump) or sintering and iron making (fines) followed by an estimate of the expected pricing premium or discount.

CSU estimates the pricing premium/discount by considering the quality of the iron ore and the cost of smelting the iron ore (sintering in the case of fines and performance in the blast furnace for sinter and lump) to estimate the value impact. This is then benchmarked to an existing product in the market. CSU selected Pilbara Blend Fines (PBF) and Pilbara Blend Lump (PBL) as the base price reference, and then adjusted them to calculate the Baniaka fines and Baniaka lump value impact.

The results of the work completed indicate that Baniaka's fines product (~60% of total production) is expected to achieve a ~17% premium to the benchmark price.

CSU estimated a Baniaka lump premium of US$10.85 per dry metric tonne, benchmarked to PBL, but applied a discount of 7.5% to the adjusted Baniaka lump price to reflect a lower strength index in comparison to Pilbara Blend Lump, which resulted in a price approximately the same as PBL.

The current PBF benchmark price is US$138/tonne. Using this price, Baniaka fines would trade at US$168/tonne.

At a lump premium of US$0.35 per iron unit (lump is benchmarked at 62.5%), Baniaka lump would trade at $US160/t.

GEN may look to build its plant with the VIU outcomes in mind and may change the ratio to capture the upside around fines.

Hydroelectricity Solution Secured – Clean, Renewable, Expandable Power

In April 2022 GEN reported that it had secured an MoU for the supply of 30MW of hydroelectricity for Baniaka from the Grand Poubara station, which provides for all of the project's Phase 1 power requirements. Terms include 20 years of supply at <10¢/kWh. A 30km transmission line will be funded and constructed by GEN from Baniaka to the hydropower station, and no onsite power station will therefore be required. The Poubara hydropower station has total installed capacity of ~200MW.

The positive implications of the MoU for Baniaka are twofold:

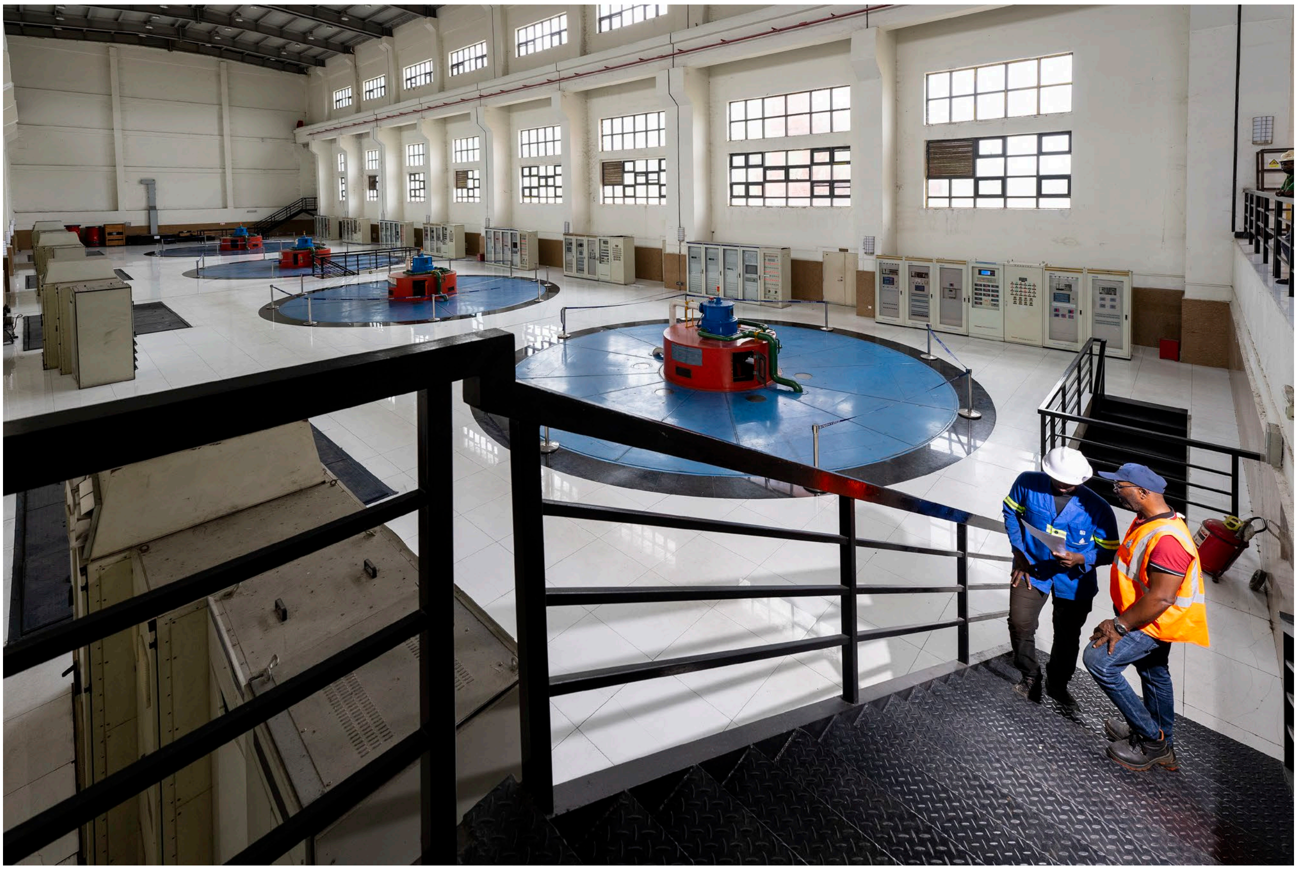
- 100% supply of clean hydropower provides positive ESG credentials for the Baniaka product in the export market, which is increasingly focused on decarbonisation
- the agreed price structure is highly attractive and underpins our expectation of low operating costs at Baniaka. Power is a significant component of costs for mining projects, which is particularly relevant where onsite diesel gensets are required given the current escalation in global oil prices.

With respect to a potential Phase 2 expansion at Baniaka, the agreement includes provisions to increase supply to 50MW as the Baniaka expansion requires and depending on flow rates at Poubara, to support the increased supply.

Exhibit 5 – Grand Poubara Dam (left); Hydropower station (right)

Source: GEN.

Exhibit 6 – Grand Poubara Hydropower Station



Source: GEN.

Three Offtake MoUs Secured to Date – Strong Interest

The company now has three offtake MoUs with prospective Chinese customers amounting to a total 16mt of product. The currently proposed scale of Baniaka is 5mtpa with potential expansion to 10mtpa. The interest is strongly indicative of the unique characteristics at Baniaka, which include the high grade, high quality, and near surface mineralisation with proximity to existing critical infrastructure links including rail, roads and port.

Exhibit 7 – Details of offtake agreements

Entity	Term	Iron Ore Products (Mtpa)			Extension
		Fines	Lump	Total	(Mt)
Jianlong	2 years	1.5	0.5	2.0	4.0
Minmetals	3 years	1.5	0.5	2.0	6.0
CDSS	3 years	1.5	0.5	2.0	6.0
Totals		4.5	1.5	6.0	16.0

Source: GEN.
CDSS – Changzou Dongfang Special Steel

Rail and Port Discussion Ongoing

Advanced discussions continue with the operator of the Trans-Gabon rail system and Owendo Mineral Port (OMP) on the back of the MoU executed in January 2021. This represents the other key infrastructure component to support the commercialisation of the Baniaka project.

In February 2022, civil engineering group Bigen conducted a site inspection to validate rail route alternatives for the rail spur between the Trans-Gabon mainline and the proposed processing facility site. In addition, port engineering consultant PRDW completed a capacity assessment of the existing OMP and, with the OMP operator, worked through the preferred options for a staged increase in port capacity and plans for transhipping to Cape Class oceangoing vessels.

Financing

At 31 March 2022, GEN reported cash on hand of US$9.05m which is sufficient to complete the remaining works and deliver the PFS. We currently assume that the first phase of the project is funded by 50% debt and 50% equity (assuming that equity is raised at 20¢/share). We have also assumed a small equity raising of A$10m in CY2022 to fund the DFS.

Additional funding flexibility will largely depend on the state of iron ore markets, ongoing stability in Gabon and the Central African region, and the economic attractiveness of the project parameters which come to light from the completed PFS.

The project looks favourably positioned with significant geological prospectivity, highly favourable infrastructure and what is likely to be a simple/conventional mining and processing operation. As such, we think the project has strong potential to access ongoing funding on attractive terms.

Iron Ore Markets – A Brief Look at the Latest Developments

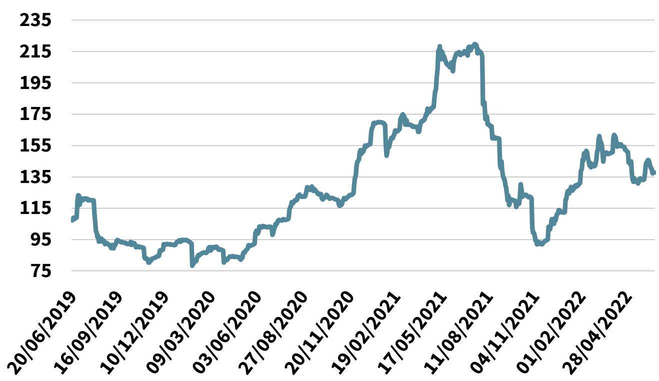
Prices – Off Highs but Still Trading Well Above US$100/t

The most commonly used benchmark iron ore price is based on iron ore fines (used for sintering and making up 70% of iron ore trade) and an average grade of 62% Fe. GEN's finished product will represent a blend of premium grade lump and coarse fines (as well a -0.5mm hematite pellet feed product once the Soft Oxide is accessed) which will attract premium prices over benchmark 62% fines.

Over the past three years, iron ore has traded predominantly above US$100/t, peaking in mid-FY21 at US$230/t. Current prices are sitting at ~US$146/tonne and have been relatively stable recently. Global economic conditions are uncertain at the moment due to supply chain issues, inflation, increasing interest rates, the Ukraine–Russia conflict and a resurgence of COVID in China. These concerns are offset by solid general demand conditions as well a post Covid lockdown support measures and stimulus from China.

Our forecasts assume a US$100/t long-term price, but we can see upside risk to that number.

Exhibit 8 – Iron ore spot prices – 62% FE US$/t (3 years)



Source: FactSet.

Gabon Is Well-Placed to Benefit as China Diversifies its Sources

Gabon is strategically placed to take advantage of China's policy to diversify the supply side of key steelmaking commodities, such as coal and iron ore, away from existing import partners given ongoing trade disputes. For countries such as Gabon, which may have higher relative cost curves, this is welcome news.

China's policy is explicit in stating the need to diversify both production and supply chains of key industrial ingredients such as iron ore, manganese and chromium. The government has set goals for greater self-sufficiency in iron ore supplies, increased use of scrap steel and the construction of Chinese-owned iron ore mines overseas. In May, Sinosteel committed more than US$700 million to develop its coastal Lobe magnetite project to produce 4 million tonnes per annum of magnetite concentrate immediately north of Gabon in Cameroon.

China has called for building ties with iron ore miners in Russia, Myanmar, Kazakhstan and Mongolia. China is pushing Brazil, Australia's main iron ore competitor, to increase production after accidents and COVID-19 related shutdowns.

China is very concerned about its domestic steel industry's reliance on Australian iron ore. In trying to pivot from Australian producers, China inadvertently drove market prices to record highs and undermined the profitability of Chinese steelmakers. This placed pressure on China to continue to diversify albeit at a slower rate to ensure local steel production is not impeded.

China has called for building ties with iron ore miners in Russia, Myanmar, Kazakhstan and Mongolia. China is pushing Brazil, Australia's main iron ore competitor, to increase production after accidents and COVID-19–related shutdowns.

China is very concerned about the reliance of its domestic steel industry on Australian iron ore. In trying to pivot from Australian producers, China inadvertently drove market prices to record highs and undermined the profitability of Chinese steelmakers. This placed pressure on China to continue to diversify, albeit at a slower rate to ensure local steel production is not impeded.

Valuation: Risked NPV of A$0.62/Share (No Change); Spot A$1.49/Share

Base-Case Valuation Methodology: SOTP with Risk-Weighted DCF for Baniaka

We value GEN using sum-of-the-parts methodology, adopting a risk-weighted DCF analysis for the Baniaka project and high-level estimates for the remaining projects. Baniaka is the cornerstone asset and accounts for almost all of the overall valuation derived for GEN, as we have assigned nominal value to the other assets. We believe that the value attributed to the other assets is largely contingent on Baniaka's success, given that any obstacles in its development are likely to be regional issues (e.g., permitting, infrastructure access) rather than specific to the Baniaka deposit.

The project remains at the pre-PFS stage of development, and as such project technical and economic parameters are subject to a significant degree of uncertainty which will lessen as the PFS is completed. Our estimates are preliminary; upon release of the PFS, we will be able to model the project with more certainty.

Risked NPV of A$0.62/share, substantial medium-term upside potential

We value GEN at A$0.62 per share. We see the exploration upside potential as significant given a relatively small component of the Baniaka prospects (~12%) have been explored. Over the medium term there are a number of potentially significant upside scenarios which are not captured within our base-case estimates, primarily relating to potential additional exploration success and subsequent increases in production and/or extension of mine life.

We have made some adjustments to our original assumptions in our initiation as a result of the VIU testing by CSU.

Our original fines premium assumption was 18.7%, which we have adjusted to 17% to be in line with CSU. CSU also noted that the Baniaka lump product would trade in line with benchmark lump prices. We have adjusted our lump pricing to US$0.35 from our original estimate of US$0.30.

We have risked the project at a 66% probability of success. Given its pre-feasibility status, the project still has a number of risks, the key being funding and execution. Given the quality of the project and the desire for Chinese steel mills to diversify supply, we consider the project more likely to proceed than not.

Exhibit 9 – Valuation summary

NPV OF PROJECTS	US$M	Ownership	Risk Weight	A$M	A$/share	Valuation Methodology
Baniaka	722	90%	66%	613	0.63	Risked Project NPV
Bakoumba (Advanced Expl.)	30	100%	30%	13	0.01	MST Estimate
Minvoul/Bitam (Early Expl.)	10	100%	30%	4	0.00	MST Estimate
Exploration and Investments	30	100%	50%	21	0.01	MST Estimate
ENTERPRISE NPV	**792**			**651**	**0.65**	
Corporate Costs	(21)	100%	100%	(30)	(0.04)	NPV of Corporate Costs
Net Cash (Debt)	9	100%	100%	13	0.01	MST Estimate
TOTAL	**780**			**634**	**0.62**	

WACC	**10.0%**
AUDUSD	0.70
Shares on issue (Undiluted)	406
Options and Rights	19
Additional Equity Required	547
Shares on issue (Fully Diluted)	**972**

Source: MST estimates.

Key Assumptions

Exhibit 10 – Key Assumptions

Assumptions	
PROJECT ASSUMPTIONS	
Project Ownership (Govt 10% participation right) (%)	90%
Processing Plant Throughput (mtpa) - Stage 1	8.3
Processing Plant Throughput (mtpa) - Stage 2	16.7
Life-of-Mine Average Recovery (%)	60%
Mine Life (years)	10.0
Life-of-Mine Strip Ratio (waste:ore)	1.0
Stage 1 Production (dmt)	5.0
Stage 2 Production (dmt)	10.0
Baniaka Mineral Resource (mt)	697
Grade (% Fe)	40%
COST & FINANCING ASSUMPTIONS	
Discount Rate (%)	10%
Stage 1 Capital Cost (US$m, real)	150
Stage 2 Capital Cost (US$m, real)	140
Life-of-Mine Average Cash Cost (US$/dmt, real)	40
PRICING & EXCHANGE RATE ASSUMPTIONS	
AUDUSD	0.70
Benchmark 62% Fines (US$/dmt CFR China)	100
Premium Received 63% Lump	35c per iron unit
Premium Received 64% Coarse Fines	17%
Premium Received 67% Fines	21%
Royalties & Other Govt Contributions (%)	6.3%
Government Free Carry (%)	10%
Tax Rate (%)	35%

Source: MST estimates.

Key sensitivities and risks

We forecast the iron ore price to firm at the $100 level. Our valuation is particularly sensitive to iron ore prices, operating and capital costs and FX fluctuations (particularly AUD/USD).

Key risks include iron ore price volatility, financing risks, operational and technical risks, cost escalation and local community support. Offsetting these risks are several advantageous tailwinds including the geological upside, established local infrastructure, market desire for new iron ore export regions, in-country qualified labour and a relatively stable political backdrop.

Cross-Check: Spot Price Valuation = A$1.49 per share

We have applied the current market prices, estimated product premiums, exchange rates and estimated shipping rates (keeping the remaining cost base and capital cost constant) in order to attain an estimated spot valuation for GEN. Our derived spot valuation is A$1.49 per share.

Key spot assumptions are:

- 62% benchmark iron ore price: US$138 per tonne
- estimated product price based off 65% iron ore: US$168/tonne
- USD/AUD exchange rate: 0.70.

Disclaimers and Disclosures

MST Access is a registered business name of MST Financial Services Pty Ltd (ACN 617 475 180 "MST Financial") which is a limited liability company incorporated in Australia on 10 April 2017 and holds an Australian Financial Services Licence (Number: 500 557). This research is issued in Australia through MST Access which is the research division of MST Financial. The research and any access to it, is intended only for "wholesale clients" within the meaning of the Corporations Act 2001 of Australia. Any advice given by MST Access is general advice only and does not take into account your personal circumstances, needs or objectives. You should, before acting on this advice, consider the appropriateness of the advice, having regard to your objectives, financial situation and needs. If our advice relates to the acquisition, or possible acquisition, of a particular financial product you should read any relevant Product Disclosure Statement or like instrument.

This report has been commissioned by Genmin Limited and prepared and issued by Michael Bentley of MST Access in consideration of a fee payable by Genmin Limited. MST Access receives fees from the company referred to in this document, for research services and other financial services or advice we may provide to that company.

MST Financial also provides equity capital markets ("ECM") and corporate advisory services through its capital markets division, MST Capital Markets ("MST Capital"). MST Capital provides these services to a range of companies including clients of the MST Access service. As such, MST Capital may in future provide ECM and/or corporate advisory services to the company that is the subject of this research report and, accordingly, may receive fees from the company for providing such services. However, MST Financial has measures in place to ensure the independence of its research division is maintained, including information barriers between its Capital Markets and Research teams. In addition, neither MST Access, not any of its research analysts, receive any financial benefit that is based on the revenues generated by MST Capital Markets or any other division of MST Financial.

The analyst has received assistance from the company in preparing this document. The company has provided the analyst with communication with senior management and information on the company and industry. As part of due diligence, the analyst has independently and critically reviewed the assistance and information provided by the company to form the opinions expressed in the report. Diligent care has been taken by the analyst to maintain an honest and fair objectivity in writing this report and making the recommendation. Where MST Access has been commissioned to prepare content and receives fees for its preparation, please note that NO part of the fee, compensation or employee remuneration paid will either directly or indirectly impact the content provided.

Accuracy of content: All information used in the publication of this report has been compiled from publicly available sources that are believed to be reliable, however we do not guarantee the accuracy or completeness of this report and have not sought for this information to be independently verified. Opinions contained in this report represent those of MST Access at the time of publication. Forward-looking information or statements in this report contain information that is based on assumptions, forecasts of future results and estimates of amounts not yet determinable, and therefore involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of their subject matter to be materially different from current expectations.

Exclusion of liability: To the fullest extent allowed by law, MST Access shall not be liable for any direct, indirect or consequential losses, loss of profits, damages, costs or expenses incurred or suffered by you arising out or in connection with the access to, use of or reliance on any information contained in this report. No guarantees or warranties regarding accuracy, completeness or fitness for purpose are provided by MST Access, and under no circumstances will any of MST Financial's officers, representatives, associates or agents be liable for any loss or damage, whether direct, incidental or consequential, caused by reliance on or use of the content.

General Advice Warning

MST Access Research may not be construed as personal advice or recommendation. MST encourages investors to seek independent financial advice regarding the suitability of investments for their individual circumstances and recommends that investments be independently evaluated. Investments involve risks and the value of any investment or income may go down as well as up. Investors may not get back the full amount invested. Past performance is not indicative of future performance. Estimates of future performance are based on assumptions that may not be realised. If provided, and unless otherwise stated, the closing price provided is that of the primary exchange for the issuer's securities or investments. The information contained within MST Access Research is published solely for information purposes and is not a solicitation or offer to buy or sell any financial instrument or participate in any trading or investment strategy. Analysis contained within MST Access Research publications is based upon publicly available information and may include numerous assumptions. Investors should be aware that different assumptions can and do result in materially different results.

MST Access Research is distributed only as may be permitted by law. It is not intended for distribution or use by any person or entity located in a jurisdiction where distribution, publication, availability or use would be prohibited. MST makes no claim that MST Access Research content may be lawfully viewed or accessed outside of Australia. Access to MST Access Research content may not be legal for certain persons and in certain jurisdictions. If you access this service or content from outside of Australia, you are responsible for compliance with the laws of your jurisdiction and/or the jurisdiction of the third party receiving such content. MST Access Research is provided to our clients through our proprietary research portal and distributed electronically by MST to its MST Access clients. Some MST Access Research products may also be made available to its clients via third party vendors or distributed through alternative electronic means as a convenience. Such alternative distribution methods are at MST's discretion.

Access and Use

Any access to or use of MST Access Research is subject to the Terms and Conditions of MST Access Research. By accessing or using MST Access Research you hereby agree to be bound by our Terms and Conditions and hereby consent to MST collecting and using your personal data (including cookies) in accordance with our Privacy Policy (https://mstfinancial.com.au/privacy-policy/), including for the purpose of a) setting your preferences and b) collecting readership data so we may deliver an improved and personalised service to you. If you do not agree to our Terms and Conditions and/or if you do not wish to consent to MST's use of your personal data, please do not access this service.