



## Genmin Ltd (GEN.ASX)

### Mining Convention opens funding pathway

#### Event:

- **Signing of Mining Convention.**

#### Investment Highlights:

- **Time has come - long awaited Mining Convention signed.** GEN has signed the Mining Convention for the Baniaka iron ore project with the Gabon Government, officiated by the President and Head of State of the Republic of Gabon, and signed by the Mines Minister.
- **Baniaka now fully permitted.** The signing of the Mining Convention follows the earlier receipt of both the Baniaka Mining Licence and EISA, completing the final step in full permitting of the project.
- **In-line with Mining Code.** The Mining Convention specifies both GEN's and the Government's obligations regarding Baniaka, including those pertaining to legal, social, environmental, and financial matters, including royalty, tax, and free-carry. Management commented these are in-line with the country's Mining Code and expectations, and correspond with parameters assumed in the PFS.
- **Strengthens position in negotiating project funding.** The Mining Convention now strengthens GEN's position in financing discussions for Baniaka. Given concerns previously over the Gabon coup and delay in signing of the Convention, sovereign risk has now dramatically reduced.
- **Diverse financing options brings competitive tension.** Management is examining various funding scenarios and sources, including debt and equity from a strategic at company and/or project level. In the mix are a Chinese company (with which it already has an offtake MoU), a non-China steelmaker, a European trading house, and a Chinese construction company with presence already in Gabon.
- **Short-term funding.** With only US\$2.4M cash end December 2024, and the capital funding of Baniaka targeted to close by end of 2025, GEN is working on short-term funding to progress early works, likely involving a strategic.
- **Timelines pushed back.** With the longer-than-anticipated signing of the Mining Convention, we have pushed back our timeline for milestones by 12 months: financial close by end 2025, construction commencing at the start of 2026, and first product beginning 2027. GEN is targeting product by late 2026.

#### Earnings and Valuation:

- **We now expect first earnings in 2027 (previously 2026),** due to rollback in our timelines for financial close, construction, and commissioning. We assume US\$280M funding for capex, corporate, interest, and working capital costs via a 67:33 mix of debt:equity.
- **Risked share valuation (0.2x NPV<sub>10</sub> nominal) remains \$0.33,** with the rollback of earnings offset by assuming less dilution from potential strategic equity at a premium to the current share price.

#### Recommendation:

- **We maintain our Buy and 12-month price target of \$0.33,** in-line with our risked valuation. Key share price catalysts include: 1) Binding offtake agreements; 2) Finalisation of financing; 3) Start of construction; 4) Expansion, pellet feed VIU, and mine optimisation studies.

#### Disclosures\*

The analyst owns 207,000 GEN shares and 100,000 GEN options exercise \$0.20 expiry 31 March 2026. Foster Stockbroking, staff, and Cranport own 7.4% of GEN shares, and the following GEN options: 2,500,000 exercise \$0.442 expiry 7 March 2026; 8,669,998 exercise \$0.20 expiry 31 March 2026; and 23,450,000 exercise \$0.075 expiry 30 April 2025.

Foster Stockbroking earned fees as Lead Manager to GEN's \$10M placement at \$0.05 in October 2024, and as Joint Lead Manager to GEN's \$23.4M equity raising at \$0.10 in March 2024.

Recommendation	Buy
Previous	Buy
Risk	High
Price Target	\$0.33
Previous	\$0.33
Share price (A\$)	\$ 0.037
ASX code	GEN
52 week low-high	\$0.026-\$0.1725
Valuation - risked (A\$/share)	\$ 0.33
Methodology	risked NPV

#### Capital structure

Shares on Issue (M)	886
Market cap (A\$M)	33
Net cash (debt) (A\$M)	4
Options (M)	331
Performance rights (M)	4
Diluted EV (A\$M)	41
Ave daily volume ('000)	830

Earnings y/e Dec US\$M	FY23a	FY24e	FY25e	FY26e
Sales	0	0	0	0
EBITDA adj	-11	-9	-9	-9
NPAT reported attrib.	-13	-11	-11	-10
NPAT adj attrib.	-13	-11	-11	-10
EPS adj. \$*	-0.03	-0.01	0.00	0.00
P/E	na	na	na	na
EV/EBITDA	na	na	na	7.6x

\* Adj =underlying

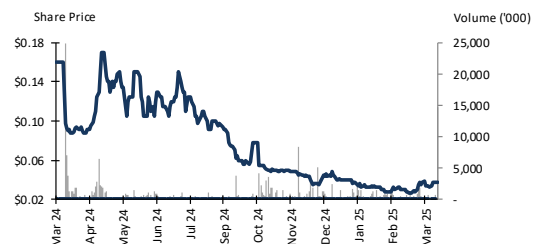
#### Substantial shareholders

Ndovu Capital & Tembo Group entities	41%
Cranport Pty Ltd and related parties	7%

#### Board

Greg Lilleyman	Non-Executive Chair
Giuseppe (Joe) Ariti	Non-Executive Director
John Hodder	Non-Executive Director
Salvatore Amico	Non-Executive Director

#### Share price



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**Genmin (GEN)**

Full Year Ended 31 December

Profit and Loss US\$M	2023a	2024e	2025e	2026e
Revenue	0	0	0	0
Operating costs	11	9	9	9
<b>EBITDA adj.</b>	<b>-11</b>	<b>-9</b>	<b>-9</b>	<b>-9</b>
D&A	0	0	0	0
<b>EBIT adj.</b>	<b>-11</b>	<b>-9</b>	<b>-9</b>	<b>-9</b>
Net Interest exp / (income)	2	2	2	1
<b>PBT adj.</b>	<b>-13</b>	<b>-11</b>	<b>-11</b>	<b>-10</b>
Tax exp / (benefit)	0	0	0	0
<b>NPAT before minorities adj.</b>	<b>-13</b>	<b>-11</b>	<b>-11</b>	<b>-10</b>
Minority	0	0	0	0
<b>NPAT attributable adj.</b>	<b>-13</b>	<b>-11</b>	<b>-11</b>	<b>-10</b>
<b>EPS diluted adj. (\$)</b>	<b>-0.03</b>	<b>-0.01</b>	<b>0.00</b>	<b>0.00</b>

Cashflow US\$M	2023a	2024a	2025e	2026e
EBITDA adj.	-11	-9	-9	-9
Change in WC	2	0	0	0
Net interest	0	0	0	2
Tax	0	0	0	0
Share based expense	0	0	0	0
Other	0	-1	0	0
<b>Operating Cashflow</b>	<b>-9</b>	<b>-10</b>	<b>-9</b>	<b>-7</b>

Purchase of PP&E	0	0	0	-231
Acquisitions	0	0	0	0
Capitalised expenses	-3	-2	-2	-2
Investments	0	0	0	0
Other	0	0	0	0
<b>Investing Cashflow</b>	<b>-3</b>	<b>-2</b>	<b>-2</b>	<b>-233</b>

Equity issue	0	22	92	0
Debt proceeds	5	1	0	188
Debt repayments	0	-5	0	0
Other	0	-1	-4	0
<b>Financing Cashflow</b>	<b>5</b>	<b>16</b>	<b>89</b>	<b>188</b>
<b>Net Cashflow</b>	<b>-7</b>	<b>3</b>	<b>78</b>	<b>-53</b>

Balance Sheet US\$M	2023a	2024e	2025e	2026e
Cash	0	4	81	28
Receivables	0	0	0	0
Inventories	0	0	0	0
PPE	1	1	1	231
Capitalised expl'n	45	45	45	45
Intangibles	0	0	0	0
Other	1	8	15	17
<b>Total Assets</b>	<b>48</b>	<b>58</b>	<b>142</b>	<b>322</b>

Accounts payable	5	1	1	1
Provisions	5	0	0	0
Debt	5	0	0	188
Other	0	-1	0	0
<b>Total Liabilities</b>	<b>23</b>	<b>14</b>	<b>17</b>	<b>207</b>

Capital & reserves	64	94	187	187
Retained earnings	-40	-51	-62	-72
<b>Attributable Equity</b>	<b>25</b>	<b>44</b>	<b>125</b>	<b>115</b>
Minorities	0	0	0	0
<b>Total Equity</b>	<b>25</b>	<b>43</b>	<b>125</b>	<b>115</b>

Financial metrics	2023a	2024e	2025e	2026e
EBIT margin	na	na	na	na
EBITDA margin	na	na	na	na
Interest cover (EBIT/net interest) x	na	na	na	-13
RoA	na	na	-9%	-4%
RoE	na	na	-13%	-8%
Sales growth	na	na	na	na
EPS growth	88%	-53%	-83%	-10%
Gearing (ND/ND+E)	16%	-9%	-187%	58%

Valuation multiples	2023a	2024e	2025e	2026e
P/E x	na	na	na	na
EV/EBITDA x	na	na	na	na

**Company Valuation**

DCF, WACC 10% nominal

Segment	Unrisked	Unrisked	Risked	Risked
	A\$M	A\$/sh	A\$M	A\$/sh
Baniaka Reserves 5Mtpa	438	\$0.33	351	\$0.10
Indicated ex-Reserves	260	\$0.20	174	\$0.05
Inferred Resources	136	\$0.10	68	\$0.02
Exploration Target	13	\$0.01	7	\$0.00
Deltas:	0	\$0.00	0	\$0.00
10Mtpa Baniaka	490	\$0.37	245	\$0.07
Pellet feed price VIU	233	\$0.18	117	\$0.03
Mine optimisation cost savings	221	\$0.17	111	\$0.03
Working capital & corporate	-150	-\$0.11	-150	-\$0.04
Future equity	138	\$0.10	138	\$0.04
Options in-money-at val'n	39	\$0.03	39	\$0.01
Net cash	4	\$0.00	4	\$0.00
<b>Total</b>	<b>1,822</b>	<b>\$1.38</b>	<b>1,102</b>	<b>\$0.33</b>
Shares now M	886		886	
Future equity M*	100		2,122	
Performance rights M	5		5	
Options-in-money at val'n M	326		326	
<b>Total</b>	<b>1,317</b>		<b>3,339</b>	

\*Unrisked assumes equity raised at valuation, risked assumes raised at near share price.

Commodity Assumptions	2023a	2024e	2025e	2026e
<b>Prices:</b>				
Iron ore 62% China CFR	US\$/t 112	110	99	96
A\$	US\$/t 0.66	0.67	0.67	0.68

<b>Shipments:</b>				
Iron ore	Mt 0.0	0.0	0.0	0.0

JORC Resources	Ore Mt	Fe %
Indicated	229	42.8%
Inferred	530	34.0%
<b>Total</b>	<b>759</b>	<b>36.7%</b>

JORC Reserves	Ore Mt	Fe %
<b>Total</b>	<b>101</b>	<b>46.9</b>

Capital structure	M
Ordinary shares	887
Performance rights	1
Options	331

Source: Company; Foster Stockbroking estimates



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**Specific disclosure:** Foster Stockbroking earned fees as Lead Manager to GEN's \$10M share placement at \$0.05 in October 2024, and as Joint Lead Manager to GEN's \$23.4M equity raising at \$0.10 in March 2024.

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**Disclosure review.** The report has been reviewed and checked by Hazmy Hazin, Research Analyst.

**Disclosure review.** All the disclosures in the report have been reviewed and checked by Keith Quinn, Compliance.