

Genmin Ltd (GEN.ASX)

Progressing steps to FID

Event:

- Review of recent activity; PT change.

Investment Highlights:

- Sinohydro MoU for Baniaka EPCM.** Since the Mining Convention for Baniaka was signed in March, the MoU with PowerChina subsidiary Sinohydro announced in April is a key step in formulating a construction solution for the project, as well as assisting in procuring project funding.
- Powerhouse in Africa and mining.** PowerChina is a Fortune 500 company that has extensive global experience, including relevantly in Gabon for >10 years, and in mining projects across different countries and commodities.
- We expect Sinohydro to provide GEN with an EPC proposal by end July,** mainly covering haul road from mine to rail, and line connecting mine to the Grand Poubara power station which incidentally was constructed by PowerChina and has a 20-year power supply agreement with Baniaka.
- Major funding for Baniaka project.** As part of the MoU Sinohydro will help GEN in accessing financing for Baniaka for no less than US\$250M, in-line with our estimated capex for the project, using its network of financial institutions, investors, and iron ore buyers, and will put forward its proposal.
- Other financing avenues open.** Importantly the financing part of the Sinohydro MoU is not exclusive, allowing GEN to continue negotiating with parties such as a non-China steelmaker and European trading house, and some China companies with which it has offtake MoUs.
- Short-term funding for early works.** Since the Mining Convention, GEN has shored up interim funding, all unsecured, to progress early works. These include a loan facility from Tembo (A\$3.0M), a loan from the Chair (A\$2.0M), and yesterday a non-binding term sheet for a convertible note from a US family office involved in North American mining, including iron ore and steelmaking (US\$3.0M). These enable the company to progress early works, such as access roads surrounding camp and opening quarries for road construction material.

Earnings and Valuation:

- No material changes to earnings forecasts.
- Risked valuation now **\$0.31 per share**, previously \$0.33, from the dilutive impact of the recent loans and notes interest payable in shares.

Recommendation:

- We maintain our **Buy** and reduce 12-month price target to **\$0.31**, prior \$0.33, in-line with our risked valuation. Share price catalysts include: 1) Binding offtake agreements; 2) Finalisation of project 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; and 8,669,998 exercise \$0.20 expiry 31 March 2026.

Foster Stockbroking earned fees as Lead Manager to GEN's \$10M placement at \$0.05 in October 2024.

Recommendation	Buy
Previous	Buy
Risk	High
Price Target	\$0.31
Previous	\$0.33
Share price (A\$)	\$ 0.022
ASX code	GEN
52 week low-high	\$0.022-\$0.15
Valuation - risked (A\$/share)	\$ 0.31
Methodology	risked NPV

Capital structure

Shares on Issue (M)	887
Market cap (A\$M)	20
Net cash (debt) (A\$M)	1
Options (M)	121
Performance rights (M)	0
Diluted EV (A\$M)	21
Ave daily volume ('000)	689

Earnings y/e Dec US\$M	FY24a	FY25e	FY26e	FY27e
Sales	0	0	0	284
EBITDA adj	-9	-9	-9	55
NPAT reported attrib.	-11	-12	-10	-14
NPAT adj attrib.	-11	-12	-10	-14
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

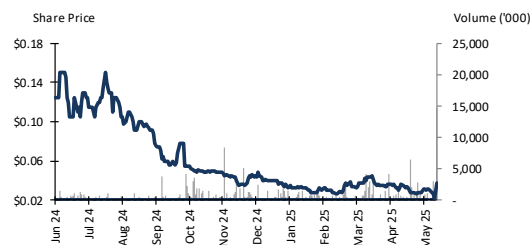
Substantial shareholders

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	2024a	2025e	2026e	2027e
Revenue	0	0	0	284
Operating costs	9	9	9	229
EBITDA adj.	-9	-9	-9	55
D&A	0	0	0	47
EBIT adj.	-9	-10	-10	8
Net interest exp / (income)	2	2	1	21
PBT adj.	-11	-12	-10	-13
Tax exp / (benefit)	0	0	0	0
NPAT before minorities adj.	-11	-12	-10	-13
Minority	0	0	0	2
NPAT attributable adj.	-11	-12	-10	-14
EPS diluted adj. (\$)	-0.01	0.00	0.00	0.00

Cashflow US\$M	2024a	2025e	2026e	2027e
EBITDA adj.	-9	-9	-9	55
Change in WC	-2	-1	0	-5
Net interest	0	0	2	-18
Tax	0	0	0	0
Share based expense	0	0	0	0
Other	1	0	0	0
Operating Cashflow	-10	-11	-8	31
Purchase of PP&E	0	0	-231	-2
Acquisitions	0	0	0	0
Capitalised expenses	-2	-2	-2	-2
Investments	0	0	0	0
Other	0	0	0	0
Investing Cashflow	-2	-2	-233	-4
Equity issue	18	92	0	0
Debt proceeds	1	6	188	0
Debt repayments	0	-6	0	0
Other	-1	-4	0	0
Financing Cashflow	17	89	187	0
Net Cashflow	5	76	-54	27

Balance Sheet US\$M	2024a	2025e	2026e	2027e
Cash	3	78	24	51
Receivables	0	0	0	23
Inventories	0	0	0	12
PPE	1	1	232	187
Capitalised expl'n	45	45	45	45
Intangibles	0	0	0	0
Other	1	15	17	17
Total Assets	50	140	319	336
Accounts payable	2	1	1	19
Provisions	0	0	0	9
Debt	0	0	188	188
Other	0	8	8	8
Total Liabilities	16	25	215	245
Capital & reserves	85	177	177	177
Retained earnings	-51	-62	-73	-87
Attributable Equity	34	115	104	90
Minorities	0	0	0	2
Total Equity	34	115	104	92

Financial metrics	2024a	2025e	2026e	2027e
EBIT margin	na	na	na	na
EBITDA margin	na	na	na	na
Interest cover (EBIT/net interest) x	na	na	na	na
RoA	na	-10%	-4%	3%
RoE	na	-16%	-10%	-13%
Sales growth	na	na	na	na
EPS growth	-54%	-88%	-9%	37%
Gearing (ND/ND+E)	-8%	-215%	61%	60%

Valuation multiples	2024a	2025e	2026e	2027e
P/E x	na	na	na	na
EV/EBITDA x	na	na	na	2.5x

Company Valuation

DCF, WACC 10% nominal

Segment	Unrisked A\$M	Unrisked A\$/sh	Risked A\$M	Risked A\$/sh
Baniaka Reserves 5Mtpa	438	\$0.40	351	\$0.10
Indicated ex-Reserves	260	\$0.24	174	\$0.05
Inferred Resources	136	\$0.13	68	\$0.02
Exploration Target	13	\$0.01	7	\$0.00
Deltas:	0	\$0.00	0	\$0.00
10Mtpa Baniaka	490	\$0.45	245	\$0.07
Pellet feed price VIU	233	\$0.21	117	\$0.03
Mine optimisation cost savings	221	\$0.20	111	\$0.03
Working capital & corporate	-128	-\$0.12	-128	-\$0.04
Future equity	138	\$0.13	138	\$0.04
Options in-money-at val'n	23	\$0.02	23	\$0.01
Net cash	1	\$0.00	1	\$0.00
Total	1,825	\$1.68	1,105	\$0.31
Shares now M	887		887	
Future equity M*	82		2,602	
Performance rights M	0		0	
Options-in-money at val'n M	116		116	
Total	1,086		3,606	

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

Commodity Assumptions	2024e	2025e	2026e	2027e
Prices:				
Iron ore 62% China CFR	US\$/t 110	99	96	99
A\$	US\$/t 0.67	0.67	0.68	0.70
Shipments:				
Iron ore	Mt 0.0	0.0	0.0	2.6

JORC Resources	Ore Mt	Fe %
Indicated	229	42.8%
Inferred	530	34.0%
Total	759	36.7%

JORC Reserves	Ore Mt	Fe %
Total	101	46.9

Capital structure	M
Ordinary shares	887
Performance rights	0
Options	121

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.

Specific disclosures: As at close of business 2 June 2025, Foster Stockbroking, staff, and Cranport collectively own 7.4% of GEN shares on issue and the following GEN options: 2,500,000 exercise \$0.442 expiry 7 March 2026; and 8,669,998 exercise \$0.20 expiry 31 March 2026. The position may change at any time and without notice. Foster Stockbroking and its employees may from time to time own securities the subject of the report, and trade them in ways different from those discussed in research. Foster Stockbroking may also make a market in securities the subject of the report, including buying and selling securities on behalf of clients.

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.