



Genmin Limited

ABN 81 141 425 292

Interim Financial Report

For the 7 months ended 31 July 2020

GENMIN LIMITED

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ACN 141 425 292



Group Directory

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Mr John Russell Hodder
Mr Giuseppe Vince Ariti
Mr Salvatore Pietro Amico

Non-Executive Chairman
Managing Director & CEO
Non-Executive Director

Company Secretary

Mr Patrick McCole

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ACN 141 425 292

General Information

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the Consolidated Financial Statements for the year ended 31 December 2019.



Contents

GROUP DIRECTORY	2
GENERAL INFORMATION	2
DIRECTORS' REPORT	4
AUDITORS INDEPENDENCE DECLARATION	12
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	13
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION	14
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE 7 MONTH-PERIOD ENDED 31 JULY 2020	15
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS	16
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	17
1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	17
2. GOING CONCERN	17
3. INCOME	18
4. DIRECTOR AND EMPLOYEE EXPENSES	19
5. CASH	19
6. EXPLORATION EXPENDITURE	19
7. CONVERTIBLE NOTES	20
8. ISSUED CAPITAL	20
9. RESERVES	21
10. RELATED PARTY TRANSACTIONS	22
11. OPERATING SEGMENTS	24
12. SUBSEQUENT EVENTS	24
DIRECTORS' DECLARATION	25
INDEPENDENT AUDITOR'S REVIEW REPORT	26



Directors' Report

The Directors of Genmin Limited present their Report together with the Interim Financial Report of the Consolidated Entity, being Genmin Limited (the "Company" or "Genmin") and its Controlled Entities (the "Group") for the 7 month period ended 31 July 2020 and the Independent Auditor's Report thereon.

Directors

The names of directors of the Company in office up to the date of this report are:

Mr John Russell Hodder	Non-Executive Chairman	Appointed: 22 May 2014
Mr Giuseppe Vince Ariti	Managing Director & CEO	Appointed: 11 January 2010
Mr Salvatore Pietro Amico	Non-Executive Director	Appointed: 1 May 2019

Results of Operations

The Group recorded a loss after tax for the 7 months ended 31 July 2020 of US\$ 1,360,528 (2019: US\$175,275).

Review of Operations

Introduction

Genmin has six exploration licences ("PRM") in the Republic of Gabon, covering approximately 5,540km². Relevant interest and landholding are summarised in Table 1 and are shown in Figures 1 and 2.

Table 1: Interest and Landholding

Name	PRM Number	Genmin Interest (%)	Area (km ²)	Date Granted	Renewal Date	Endorsement
Baniaka ⁴	G2-537	100	774	26-Sep-12	25-Sep-21	Iron
Mafoungui	G7-535	100	807 ¹	31-Dec-12	30-Dec-18 ¹	Iron ¹
Bakoumba ⁴	G2-511	100	1,029	26-Jan-12	25-Jan-21	Iron
Minvoul ⁴	G9-512	100	1,362	21-Jun-12	20-Jun-21	Iron
Baniaka West	G2-572	100	107	12-May-14	11-May-20 ²	Iron
Bitam	G9-590	100	1,463	4-Apr-16	3-Apr-19 ³	Iron, copper, gold
		TOTAL	5,542			

¹ : Application for the second renewal of Mafoungui was lodged on 5 September 2018 and the endorsement was changed to include gold, silver, nickel, copper, chromium and platinum group elements, and the renewal area was reduced to 535km². The renewal is pending.

² : Application for the renewal of Baniaka West was lodged on 7 February 2020. The renewal application is pending.

³ : Application for the renewal of Bitam was lodged on 6 December 2018. The renewal application is pending.

⁴ : Extensions to the third period of Baniaka, Bakoumba and Minvoul are planned to be applied for in accordance with Article 111 of the 2019 Mining Code. Extensions are permissible where a mineral

substance has been discovered to provide the time necessary to continue technical, economic and commercial assessments.

The Company's PRMs are located in northern and south-eastern Gabon. They lie in the North Gabon Massif and the Chaillu Massif basements, both of which are prospective for iron mineralisation (Figure 1).

The North Gabon Massif extends to the North into Cameroon and the Republic of Congo and hosts several significant iron ore deposits. The Chaillu Massif extends to the South into the Republic of Congo and hosts the Mayoko and Zanaga iron ore deposits and the Company's Baniaka Project (Figure 2).



Figure 1: Genmin's iron ore project locations, Gabon

The Company's primary focus is in the Haut-Ogooué province in south-eastern Gabon, where its Baniaka and Bakoumba projects are located. This area has an established mining industry since the 1960's, with operating manganese mines located in Moanda and Franceville (Figure 2).

South-East Gabon (Figure 2) is advantageous for mine development as there is existing and operating infrastructure, which includes the Trans-Gabon Railway that operates from Franceville to a newly constructed and operating bulk mineral port located at Port Owendo, near the capital city of Libreville. The Trans-Gabon Railway operator is currently undertaking works to increase rail capacity for additional services with the completion scheduled for 2023.

Proximal to Baniaka and Bakoumba is the Grand Poubara hydroelectric power station (Figure 2), which is a renewable power source with current available capacity. The nearby towns of Moanda and Franceville have experience in supporting mining operators such as Comilog and Nouvelle Gabon Mining.

On 11 March 2020, The World Health Organization announced that the coronavirus disease (COVID-19) had become a Pandemic, which has resulted in global travel restrictions and the isolation of populations. The duration of the Pandemic has been long running and at the date of this Report it is unlikely that the Company can implement and complete its full work plan for 2020. The Company will continue to monitor the extent and impact of COVID-19 on its activities and operations.



Figure 2: Genmin project location, southeast Gabon

KEY PROJECTS

Baniaka Project (100% interest)

The Company's most advanced and flagship project is the Baniaka Project that consists of both the Baniaka and Baniaka West PRMs (Table 1), which are contiguous and host a single continuous 75km mineralised strike. Iron mineralisation comprises surficial detrital iron deposits ("DID") and underlying oxide and primary banded iron formation ("BIF") stratigraphy at twelve (12) defined prospects (Figure 3).

The Mineral Resource estimate for the Baniaka Project was updated in August 2019 and totals 257.9Mt at 40.1% Fe of Inferred and Indicated Mineral Resources¹ reported in accordance with the JORC Code 2012 Edition. This positions the Baniaka Project as one of the major mineral deposits in Gabon.

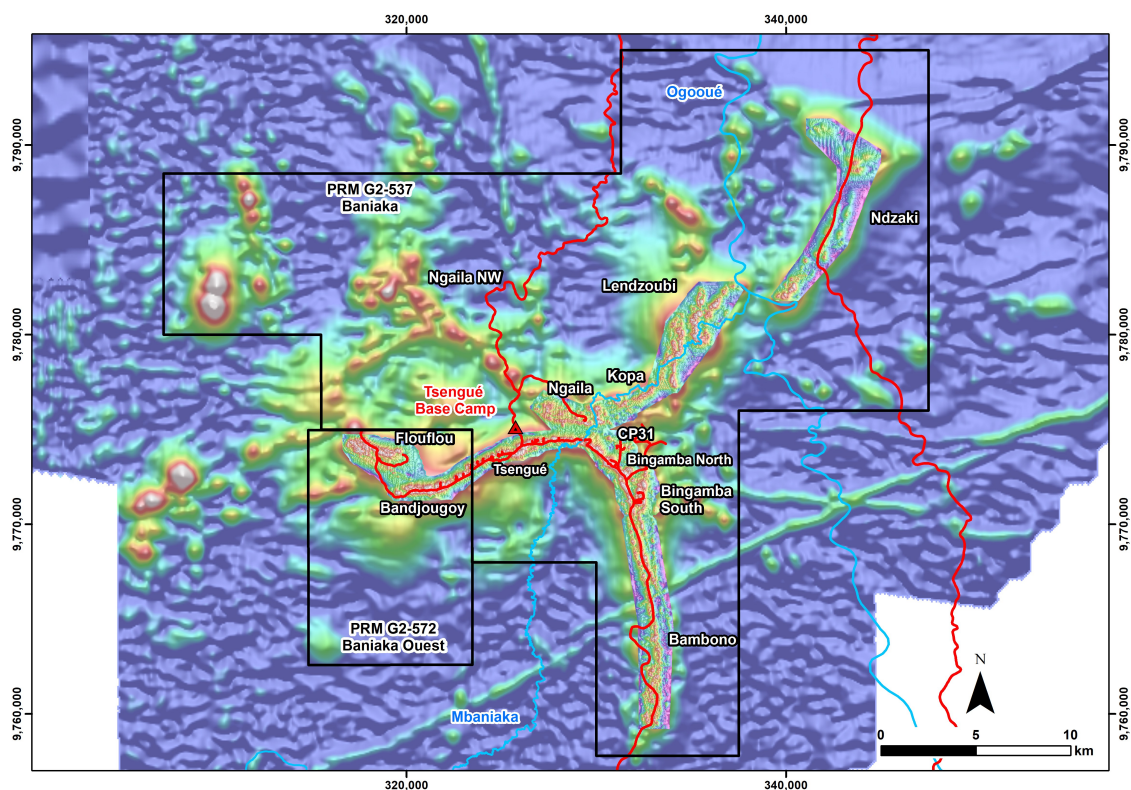


Figure 3: Baniaka West and Baniaka Prospect Location Map

¹ All Mineral Resources were estimated by Golder Associates Pty Ltd in accordance with the JORC Code 2012 Edition. Refer to the Mineral Resource Statement in the Consolidated Financial Statements for the year ended 31 December 2019 for more details and the Competent Persons Statements. The Company confirms that it is not aware of any new information or data that materially affects the information included in the Mineral Resource Statement and that all material assumptions and technical parameters underpinning the Mineral Resources estimates in the Mineral Resource Statement continue to apply and have not materially changed.



An application for the second renewal for Baniaka West was submitted on 7 February 2020 with a request for Ministerial consent to undertake an intra-company reorganisation and transfer Baniaka West from Minconsol to Reminac (both wholly owned subsidiaries of the Company), enabling Reminac to hold both PRMs so that at a future date, the Baniaka Project can be developed under a single Mining Permit. The renewal application and transfer request are pending.

The Company has planned an infill drill program to increase the confidence in the Mineral Resource estimates from Inferred to Indicated and Measured classification to allow the estimation of Ore Reserves underpinning the preparation of a Feasibility Study, and for a Social and Environmental Impact Assessment ("Work Plan") necessary for the Company to apply for a Mining Permit for the exploitation of the deposit.

Pilot-plant processing testwork has been planned on approximately twenty (20) tonnes of DID and Oxide BIF material. The pilot scale testwork is expected to be completed in early 2021 and aims to confirm and refine the processing flowsheet, and generate beneficiated, finished samples for market value-in-use assessment.

During the period, the Company undertook a comprehensive analysis of the geochemistry and mineralisation model of the Baniaka Project to guide future exploration and drilling.

In 2018, the Company executed a Memorandum of Understanding ("MOU") with Gabon Special Economic Zone Mineral Port, the operator of the bulk mineral port located at Port Owendo to secure access to the Trans-Gabon Railway and port facilities. During the period, the MOU expired, and the parties are currently progressing to enter into a new Memorandum of Understanding to update the framework for the full form binding agreements. The agreement also intends to provide the mechanism for a tripartite agreement with the Société d'Exploitation du Transgabonais SA (the operator of the Trans-Gabon Railway) for the rail component of the proposed integrated rail and port logistics solution (from Baniaka to loading ocean-going, Cape-size (180,000 Dead Weight Tonnage) vessels).

Bakoumba and Mafoungui (100% interest)

Bakoumba (1,029km²) and Mafoungui (807km²) were first granted in 2012 and are situated 80km directly northwest of Baniaka. Bakoumba and Mafoungui are contiguous and part of the Magnima Belt prospective for iron and precious metals.

The second renewal of Bakoumba was granted in April 2018 with a revised perimeter covering the entire 35km strike length of prospective ground. An application for the second renewal for Mafoungui was submitted in September 2018 with a proposed change of endorsement to include gold, silver, nickel, chromium, copper and platinum group elements. At the request of the Ministry of Mines, a proposal to reduce the area of Mafoungui to 535km² was submitted in August 2019. The renewal application and change of endorsement request are pending.

Interpretation of GMAG data at Bakoumba together with field mapping have confirmed a 35km strike-length of semi-continuous BIF stratigraphy with potential for high grade



detrital iron accumulations. Reconnaissance pitting work has tested the main magnetic anomalies coinciding with BIF stratigraphy. Sighter metallurgical test work on eighteen (18) bulk, composite pit samples shows a simple wet screening and dense media separation plant would be suitable for the detrital iron accumulations.

In 2020, drill targets, and the auger program designed to test them, were refined to account for the high-resolution LiDAR topography flown in 2018. Drilling is proposed to cover a 6km strike length of prospective BIF stratigraphy on 400m line spacing over Lébombi North and Koumbi prospects. Mabinga prospect will be tested over a 1km strike length.

A short soil sampling orientation program was conducted in July 2019 at Mafoungui. Mafoungui has not presented any oxide iron prospectivity and pending approval of the PRM renewal with a modified endorsement, Mafoungui will be evaluated for gold and base metals with detailed mapping and further soil sampling.

Minvoul and Bitam (100% interest)

The Minvoul and Bitam PRMs cover a combined area of 2,825km² in northern Gabon. Minvoul was granted in 2012 with endorsement for iron. Contiguous, and to the west, Bitam was granted in 2016 and authorises Genmin to explore for iron, gold, copper and associated substances. The second renewal of Minvoul was granted in June 2018. An application for the first renewal of Bitam was submitted in December 2018 and is pending.

Previous mapping campaigns by Genmin have identified greenstone belts comprising BIF stratigraphy, that extends across both permits and has confirmed the potential for DID mineralisation. Historic, artisanal diggings of iron have been found on both permits.

A high-resolution magnetic and radiometric airborne survey comprising 25,842 line-kilometres was completed in March 2018. It refined the geometry of existing iron ore prospects and helped define new prospective areas. The high-resolution geophysical data together with existing field observations were combined into a new structural and geological interpretation of Minvoul and Bitam. Several areas prospective for gold and base metals were identified at Bitam.

Field work planned includes follow-up mapping on priority iron and Au-Cu targets with surface sampling and pitting/trenching.



Equity and Debt Funding

In January 2020, Ndovu Capital I.B.V (“Ndovu”) exercised 7,031,705 options with an expiry date of 31 July 2024 and an exercise price of US\$0.15 per option contributing approximately US\$1.05 million to the Company.

On 1 May 2020, the Company entered into a US\$3.0 million Convertible Note Deed with Ndovu’s associate, Tembo Capital Mining Fund (“Tembo”). Shareholders approved the Convertible Note Deed and the issue of the Convertible Notes at the Annual General Meeting held on 28 May 2020 (“AGM”). The key terms of the facility are:

- Up to US\$3.0 million facility with the issue of 30,000 Notes at US\$100 per Note.
- The facility is for working capital and is to be drawn down over four tranches.
- The conversion into shares (subject to FIRB approval) is at Tembo’s election on the Maturity Date or any Liquidity Event.
- The conversion price for each Note is at the higher of; a floor price of US\$0.15; or a 15% discount to the market value of each share as determined by an independent valuer.
- An establishment fee of 2% and interest rate of 10% pa is payable on the facility.
- The loan facility has a Maturity Date of 30 June 2021 and the Repayment Amount will be due and payable on 31 December 2021.

Intercompany Restructure – Subsidiary level

A transfer agreement was signed on 6 February 2020, which subject to Gabon Government approval and renewal of Baniaka West, Minconsol will transfer Baniaka West to Reminac.

Change of External Auditor

On 20 January 2020, the Directors appointed Bentleys Audit and Corporate (WA) Pty Ltd (“Bentleys”) as the Company’s auditors following ASIC’s consent to the resignation of Grant Thornton Audit (WA) Pty Ltd. In accordance with the Corporations Act, shareholders subsequently approved Bentleys as the Company’s auditors at the AGM.

Performance Rights

At the AGM, shareholders approved the issue of 1,200,000 Performance Rights to Mr Pietro Amico, which were subsequently issued on 23 June 2020.

The Performance Rights were issued for no consideration and upon achievement of the relevant milestone, each will entitle the holder to one fully paid ordinary share in the Company. If the milestone is not achieved by the relevant expiry date, the Performance Rights will lapse (unless otherwise determined by the Board in accordance with the Plan).

On 23 July 2020, the Board reviewed the performance hurdles to assess if there have been any extenuating circumstance due to COVID-19, which are outside the control



of the participants and have impacted the ability to achieve the performance criteria. In accordance with Rules 4.8 and 7.2 of the Plan, the Board has amended the vesting conditions of two (2) tranches for two (2) participants as set out in Note 9 of this Interim Financial Report.

Subsequent Events

On 18 September 2020, the Company received US\$1million pursuant to the third draw down of the Convertible Note Deed and at the date of this report, US\$1 million remains to be drawn down under the facility.

No matters or circumstances have arisen which significantly affect or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Auditor's independence declaration

A copy of the Auditor's Independence Declaration as required under section 307C of the Corporations Act 2001 is set out on page 12 and forms part of this Directors' Report.

Signed in accordance with a resolution of the Board of Directors.

John Hodder
Non-Executive Chairman
1 October 2020

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To the Board of Directors

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

As lead audit partner for the review of the financial statements of Genmin Limited for the 7-month period ended 31 July 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- any applicable code of professional conduct in relation to the review.

Yours faithfully



BENTLEYS
Chartered Accountants



CHRIS NICOLOFF CA
Partner

Dated at Perth this 1st day of October 2020



Condensed Consolidated Statement of Profit or Loss and Other

Comprehensive Income

For the 7 months ended 31 July 2020

	Note	Condensed 7- month ended 31 July 2020	Condensed 7- month ended 31 July 2019
		US\$	US\$
Continuing operations			
Other income	3	42,878	939
Total Other income		42,878	939
Accounting and audit fees		(91,709)	(126,997)
Consultancy fees		(50,889)	(121,617)
Travel and accommodation		(13,463)	(31,777)
Corporate expenses		(128,841)	(126,277)
Director and employee expenses	4	(920,465)	319,135
Legal fees		(85,607)	(33,232)
Occupancy expenses		(9,430)	(10,499)
Depreciation expense		(49,196)	(23,467)
Interest Paid		(24,440)	(1,341)
Impairment Exploration		-	-
Other expenses		(29,366)	(20,142)
Loss before income tax		(1,360,528)	(175,275)
Income Tax Expense		-	-
Loss after income tax		(1,360,528)	(175,275)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
· exchange differences on translating controlled entities		896,953	(425,572)
Other comprehensive income, net of income tax		896,953	(425,572)
Total Comprehensive loss		(463,575)	(600,847)
Profit(loss) attributable to:			
Owners of Genmin Group Limited		(1,356,777)	(168,668)
Non-controlling interests		(3,751)	(6,607)
		(1,360,528)	(175,275)
Total Comprehensive income(loss) for the year attributable to:			
Owners of Genmin Group Limited		(459,936)	(596,469)
Non-controlling interests		(3,639)	(4,378)
		(463,575)	(600,847)

This statement should be read in conjunction with the notes to the financial statements.



Condensed Consolidated Statement of Financial Position

As at 31 July 2020

	Note	Condensed 7- month ended 31 July 2020 US\$	31 December 2019 US\$
Assets			
Current			
Cash and cash equivalents	5	525,124	217,953
Trade and other receivables		44,499	44,096
Financial assets		58	58
Prepayments		56,678	83,379
Total current assets		626,359	345,486
Non-current			
Property, plant and equipment		282,289	332,483
Exploration and evaluation expenditure	6	23,820,912	22,112,217
Other Intangible Assets		395,285	395,285
Capital Work in Progress		-	2,108
Right of Use Asset		107,224	127,320
Total non-current assets		24,605,710	22,969,413
Total assets		25,232,069	23,314,899
Liabilities			
Current			
Trade and other payables		522,459	597,315
Lease Liabilities		85,753	60,788
Convertible Note	7	970,583	-
Current liabilities		1,578,795	658,103
Non-Current			
Lease Liabilities		27,467	70,894
Non-Current liabilities		27,467	70,894
Total liabilities		1,606,262	728,997
Net assets		23,625,807	22,585,902
Equity			
Share capital	8	37,130,711	36,075,955
Reserves	9	(481,668)	(1,827,233)
Non-controlling interest		(62,157)	(58,518)
Accumulated losses		(12,961,079)	(11,604,302)
Total equity		23,625,807	22,585,902

This statement should be read in conjunction with the notes to the financial statements.



Condensed Consolidated Statement of Changes in Equity For the 7 month-period ended 31 July 2020

	Share capital	Foreign currency translation reserve	Options reserve	Performance right reserve	Acquisition of NCI reserve	Non- Controlling interest	Accumulated losses	Total
	US\$	US\$	US\$		US\$	US\$	US\$	US\$
Balance at 1 January 2019	32,673,175	(2,087,528)	11,781	2,752,040	(1,385,407)	(49,765)	(10,531,445)	21,382,851
Correction to prior year	-	-	-	-	-	-	-	-
Loss for the year	-	-	-	-	-	(6,607)	(168,668)	(175,275)
Other comprehensive income	-	(1,211,604)	-	-	-	2,229	783,803	(425,572)
Total comprehensive loss for the year	-	(1,211,604)	-	-	-	(4,378)	615,135	(600,847)
<i>Transactions with owners in their capacity as owners:</i>								
· issue of ordinary shares	3,313,850	-	-	-	-	-	-	3,313,850
· issue of performance rights	70,758	-	-	(807,481)	-	-	-	(736,723)
Sub-total	3,384,608	-	-	(807,481)	-	-	-	2,577,127
Balance at 31 July 2019	36,057,783	(3,299,132)	11,781	1,944,559	(1,385,407)	(54,143)	(9,916,310)	23,359,131
Balance at 1 January 2020	36,075,955	(2,410,697)	-	1,968,871	(1,385,407)	(58,518)	(11,604,302)	22,585,902
Loss for the year	-	-	-	-	-	(3,751)	(1,356,777)	(1,360,528)
Other comprehensive income	-	896,841	-	-	-	112	-	896,953
Total comprehensive loss for the year	-	896,841	-	-	-	(3,639)	(1,356,777)	(463,575)
<i>Transactions with owners in their capacity as owners:</i>								
· issue of ordinary shares	1,054,756	-	-	-	-	-	-	1,054,756
· issue of performance rights	-	-	-	448,724	-	-	-	448,724
Sub-total	1,054,756	-	-	448,724	-	-	-	1,503,480
Balance at 31 July 2020	37,130,711	(1,513,856)	-	2,417,595	(1,385,407)	(62,157)	(12,961,079)	23,625,807

This statement should be read in conjunction with the notes to the financial statements.



Condensed Consolidated Statement of Cash Flows

For the 7 months ended 31 July 2020

	Note	Condensed 7-month ended 31 July 2020	Condensed 7-month ended 31 July 2019
		US\$	US\$
Cash flows from operating activities			
Payments to suppliers and employees		(872,250)	(981,574)
Interest received		818	939
Net cash used in operating activities		(871,432)	(980,635)
Cash flows from investing activities			
Purchase of property, plant and equipment		(1,177)	(43,028)
Purchase of financial assets		-	-
Purchase of intangible assets		-	(0)
Payments for exploration and evaluation		(773,624)	(1,697,238)
Net cash used in investing activities		(774,800)	(1,740,266)
Cash flows from financing activities			
Proceeds from issue of shares		1,054,756	3,313,850
Proceeds for convertible notes		1,000,000	-
Repayment of Principal on Leases		(63,538)	(61,468)
Interest on Lease		(4,941)	(1,341)
Net cash provided by financing activities		1,986,277	3,251,041
Net change in cash and cash equivalents held		340,045	530,140
Cash and cash equivalents at beginning of financial year		217,953	1,047,649
Effects of exchange rate changes on cash		(32,874)	298,432
Cash and cash equivalents at end of financial year	5	525,124	1,876,221

This statement should be read in conjunction with the notes to the financial statements.



Notes to the Condensed Consolidated Financial Statements

1. Summary of significant accounting policies

Basis of preparation

These general purpose condensed interim financial statements for the 7 month reporting period ended 31 July 2020 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*. Genmin is a for-profit entity for the purpose of preparing financial statements under Australian Accounting Standards.

This condensed interim financial report is intended to provide users with an update on the latest annual financial statements of Genmin Limited and its controlled entities (referred to as the “Consolidated Group” or “Group”). As such, it does not contain information that represents relatively insignificant changes occurring during the reporting period within the Group. It is therefore recommended that this condensed financial report be read in conjunction with the annual financial statements of the Group for the year ended 31 December 2019.

Genmin is a company limited by shares, incorporated and domiciled in Australia. The financial statements have been presented in United States Dollars (US\$). The financial statements have been approved by the board on 23 September 2020.

2. Going Concern

The Company incurred a loss for the period of US\$1,360,528 (2019: US\$175,275). The Company incurred net cash outflows of US\$871,432 (2019: US\$980,635). As at 31 July 2020, the Company has a working capital deficit of US\$952,436 (2019: US\$312,617).

The ability of the Group to continue as a going concern is principally dependent upon the ability of the Company to secure additional funding through either equity or debt, or a combination of both to continue to fund its operational and exploration activities. These conditions indicate a material uncertainty that may cast significant doubt about the ability of the Group to continue as a going concern.



The directors have prepared a cash flow forecast, which indicates subject to the reasons below, that the Company will have sufficient cash flows to meet all commitments and working capital requirements for the 12 month period from the date of signing this financial report.

The Interim financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business for the following reasons:

- As disclosed in Note 7, on 1 May 2020, the Company entered into a Convertible Note Deed with Tembo, to provide a facility of up to US\$3.0 million to be drawn down over 4 tranches to provide funding for working capital;
- On 18 September 2020, the Company received US\$1.0m pursuant to the third draw down under the US\$3.0 million Convertible Note Deed and as at the date of this report, has US\$1 million remaining to draw down under the facility;
- The Group has the ability to defer discretionary costs as and when required; and
- In particular, given the Company's history of raising capital to date, the directors are confident of the Company's ability to raise additional funds as and when they are required.

Should the Group be unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the Company be unable to continue as a going concern and meet its debts as and when they fall due.

3. Income

	Condensed 7- month ended 31 July 2020 US\$	Condensed 7- month ended 31 July 2019 US\$
Interest received	818	939
Miscellaneous income	42,060	-
Total Other income	42,878	939

During the 7-month period, the company received a cash flow boost of USD42,060 as part of the Federal Government's COVID-19 stimulus package.

4. Director and Employee Expenses

	Condensed 7- month ended 31 July 2020 US\$	Condensed 7- month ended 31 July 2019 US\$
Salaries and wages	394,891	367,034
Superannuation contributions	37,515	34,868
Performance rights	9 448,724	(736,723)
Recruitment costs	193	-
Director Fees	35,000	15,000
Other	4,142	686
Total Director and employee expenses	920,465	(319,135)

5. Cash

	Condensed 7- month ended 31 July 2020 US\$	31 December 2019 US\$
Cash at bank and in hand		
United States Dollar (USD)	336,816	92,186
Australian Dollar (AUD)	84,070	62,662
Central African Franc (XAF)	104,238	63,105
Total Cash and cash equivalents	525,124	217,953

6. Exploration Expenditure

	Condensed 7- month ended 31 July 2020 US\$	31 December 2019 US\$
Opening Balance	22,112,217	20,279,945
Exploration and evaluation expenditure (current period)	889,703	2,308,118
Impairment of exploration and evaluation expenditure	-	(209,823)
Foreign exchange translation effect	818,992	(266,023)
Closing Balance	23,820,912	22,112,217

7. Convertible Notes

	Condensed 7- month ended 31 July 2020 US\$	2019 US\$
Convertible note		
Proceeds from issue of Convertible notes	1,000,000	-
Borrowing Costs	(60,000)	-
Interest expense	17,726	-
Costs unwound during the period	12,857	-
Carrying amount of liability at 31 July 2020	970,583	-

On 1 May 2020, the Company entered into a US\$3.0 million Convertible Note Deed with Tembo. Shareholders approved the Convertible Note Deed and the issue of the Convertible Notes at the AGM. The key terms of the facility are:

- Up to US\$3.0 million facility with the issue of 30,000 Notes at US\$100 per Note.
- The facility is for working capital and is to be drawn down over four tranches.
- The conversion into shares (subject to FIRB approval) is at Tembo's election on the Maturity Date or any Liquidity Event.
- The conversion price for each Note is at the higher of; a floor price of US\$0.15; or a 15% discount to the market value of each share as determined by an independent valuer.
- An establishment fee of 2% and interest rate of 10% pa is payable on the facility.
- The loan facility has a Maturity Date of 30 June 2021, and the Repayment Amount will be due and payable on 31 December 2021.

8. Issued capital

8.1 Share capital

The share capital of Genmin consists only of fully paid ordinary shares; the shares do not have a par value. All shares are equally eligible to receive dividends and the repayment of capital.

	Date	No of shares	Value (US\$)
Opening balance	01-Jan-20	293,028,650	36,075,955
Issue of shares (Tembo/Ndovu Capital 1 BV)	15-Jan-20	7,031,705	1,054,756
Closing balance	31-Jul-20	300,060,355	37,130,711

9. Reserves

	Condensed 7- month ended 31 July 2020	31 December 2019
	US\$	US\$
Performance Rights	(2,417,595)	(1,968,871)
FX Translation	1,513,856	2,410,697
Acquisition of NCI Reserve	1,385,407	1,385,407
Other reserves	-	-
At reporting date	481,668	1,827,233

9.1 Performance rights

	Condensed 7- month ended 31 July 2020	31 December 2019
	US\$	US\$
Performance Rights		
At the beginning of the reporting period	1,968,871	2,752,040
Issued during the year	464,014	749,712
Exercised during the year	-	(70,758)
Forfeited during the year	-	(725,400)
Lapsed during the year	(41,616)	-
Probability adjustment	26,325	(736,723)
At reporting date	2,417,594	1,968,871
Options expiring in next financial year	1,251,721	-
Options expiring thereafter	1,165,873	1,968,871
Total	2,417,594	1,968,871

Performance Rights are issued by the Board under the Performance Rights Plan which was approved at the 2018 Annual General Meeting. The Performance Rights are issued to staff and directors, and are linked to performance hurdles that correspond to the business plan and objectives of the Company. At the discretion of the Board all exercised Performance Rights can be settled by one ordinary share for every Performance Right or a cash payment. All Performance Rights expire three years from the date of issue.

At the AGM, shareholders approved the issue of 1,200,000 Performance Rights to Mr Pietro Amico and on 23 June 2020, the Company issued 1,200,000 Performance Rights to Mr Pietro Amico under the Performance Rights Plan as outlined below:

Position	Options Granted	Vesting Conditions
Pietro Amico	360,000	Grant of a Mining Permit and entering into the Mining convention for the Baniaka Iron Ore Project by 31 December 2021.
	480,000	Building a brand name in Gabon and messaging to Government and other stakeholders of the Company's plans and programs and how best to implement to ensure the Company achieves its goals. The achievement of this condition will be subjectively assessed by the Board (other than the recipient and at its discretion) in December 2020.
	360,000	Assisting in achieving either: a project financing outcome once the Mining Permit is granted; or, an exit amount in excess of USD200 million for shareholders of the Company before 31 December 2021.



On 23 July 2020, the Board reviewed the performance hurdles to assess if there have been any extenuating circumstances due to COVID-19, which are outside the control of the participants and impacted the ability to achieve the performance criteria. In accordance with Rules 4.8 and 7.2 of the Performance Rights Plan, the Board (other than Mr Amico in the case of Mr Amico) amended the vesting conditions of the following participants as outlined below:

- For Pietro Amico, the assessment date for the achievement of the vesting conditions in respect to the 2nd Tranche of 480,000 Performance Rights has been extended from December 2020 to six months from the date that normal travel recommences in and out of Gabon.
- For Patrick McCole, the date for achieving the vesting conditions in respect to the 2nd Tranche of 300,000 Performance Rights has extended from 30 June 2020 to 31 December 2020 and the redrafting of the performance hurdle to separate Board tactical considerations from the intent of the hurdle.

The Board have also noted the lapse of 82,500 Performance Rights on 30 June 2020 due to performance hurdles not been achieved.

9.2 Number of Performance Rights

Grant Date	Expiry Date	Average Exercise Price	Fair Value at Grant date	Options at the start of the year	Granted during the year	Exercised during the year	Forfeited during the year	Lapsed during the year	Balance at the Year End	Vested at the end of the year
Performance Rights as at 31 July 2020										
26/08/2018	25/08/2021	-	28 cents	6,000,000	-	-	-	-	6,000,000	-
12/09/2018	11/09/2021	-	30 cents	500,000	-	-	-	-	500,000	-
31/12/2019	31/12/2022	-	63 cents	1,800,000	-	-	-	(82,500)	1,717,500	-
23/06/2020	22/06/2023	-	33 cents	-	1,200,000	-	-	-	1,200,000	-
				8,300,000	1,200,000	-	-	82,500	9,417,500	-

9.3 Value of Performance Rights

Grant Date	Expiry Date	Average Exercise Price	Fair Value at Grant date	Options at the start of the year	Granted during the year	Exercised during the year	Forfeited during the year	Lapsed during the year	Probability adjustment	Balance at the Year End
Performance Rights as at 31 July 2020										
26/08/2018	25/08/2021	-	28 cents	1,124,376	-	-	-	-	-	1,124,376
12/09/2018	11/09/2021	-	30 cents	94,783	-	-	-	-	32,562	127,345
31/12/2019	31/12/2022	-	63 cents	749,712	-	-	-	(41,616)	(6,237)	701,859
23/06/2020	22/06/2023	-	62 cents	-	464,014	-	-	-	-	464,014
				1,968,871	464,014	-	-	(41,616)	26,325	2,417,594

10. Related Party transactions

The Group's related parties include its key management, Genmin subsidiaries and Ndovu (by virtue of its shareholding). All outstanding Inter-Company loan balances at year end are unsecured and are not interest bearing.

10.1 Key Management Personnel

	Condensed 7- month ended 31 July 2020	Condensed 7- month ended 31 July 2019
	US\$	US\$
Transactions with key management personnel		
Short-term employee benefits		
Salaries	194,472	110,989
Performance rights	(74,846)	(689,134)
Total Short-term employee benefits	119,626	(578,145)
Long service leave	16,788	13,064
Total other long-term benefits	16,788	13,064
Superannuation	18,475	10,011
Total Post-employment benefits	18,475	10,011
Total Remuneration	154,888	(555,070)

	Condensed 7- month ended 31 July 2020	Condensed 7- month ended 31 July 2019
	US\$	US\$
Transactions with non-executive directors		
Professional services rendered	35,000	39,071
Performance rights	464,014	-
Total Remuneration	499,014	39,071

10.2 Loans from Related Parties

On 1 May 2020, the Company entered into a US\$3.0 million Convertible Note Deed with Tembo. Shareholders approved the Convertible Note Deed and the issue of the Convertible Notes at the AGM. Full details are disclosed in Note 7.

10.3 Transactions with Related Parties

In January 2020, Ndovu exercised 7,031,705 options with an expiry date of 31 July 2024 and an exercise price of USD0.15 per option contributing approximately US\$1.05 million to the Company.



At the AGM, shareholders approved the issue of 1,200,000 performance rights to Mr Pietro Amico. Further details are disclosed in Note 9.

There has been no other change with other transactions with related parties that have already been disclosed in the Interim Financial Report.

11. Operating Segments

The Company operates in one geographical area being Gabon and one industry being exploration, for the 7 months ended 31 July 2020. There is currently only one operating segment identified, being exploration activities based in Gabon, based on internal reports reviewed by the Board of Directors and Management (Chief Operating Decision Makers).

12. Subsequent Events

On 18 September 2020, the Company received US\$1 million pursuant to the third draw down under the Convertible Note Deed. Refer to Note 7 for further details on the Convertible Note Deed.

No other matters or circumstances have arisen which significantly affect or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Directors' Declaration

The Directors of the Group declare that:

1. The financial statements and notes, as set out on pages 13 to 24, are in accordance with the *Corporations Act 2001*:
 - (a) complying with Accounting Standard AASB 134: *Interim Financial Reporting*; and
 - (b) giving a true and fair view of the Consolidated Group's financial position as at 31 July 2020 and of its performance for the 7 month-period ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



John Hodder
Non-Executive Chairman

Dated the 1st day of October 2020.

Independent Auditor's Review Report

To the Members of Genmin Limited

We have reviewed the accompanying financial report of Genmin Limited ("the Company") and Controlled Entities ("the Consolidated Entity") which comprises the condensed consolidated statement of financial position as at 31 July 2020, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the 7-month period ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration of the Consolidated Entity, comprising the Company and the entities it controlled during the period.

Directors Responsibility for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Consolidated Entity's financial position as at 31 July 2020 and its performance for the 7-month period ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*. As the auditor of the Consolidated Entity, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the financial report of Genmin Limited and Controlled Entities is not in accordance with the *Corporations Act 2001* including:

- a. Giving a true and fair view of the Consolidated Entity's financial position as at 31 July 2020 and of its performance for the 7-month period ended on that date; and
- b. Complying with Accounting Standard AASB 134: Interim Financial Reporting and Corporations Regulations 2001.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the financial report, which indicates that the Consolidated Entity incurred a net loss of \$1,360,528 during the period ended 31 July 2020. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.



BENTLEYS
Chartered Accountants



CHRIS NICOLOFF CA
Partner

Dated at Perth this 1st day of October 2020