

23 November 2011

## ASX Announcement

### GENESIS MINERALS TO RAISE \$3.1 MILLION AT A PREMIUM TO MARKET

Genesis Minerals Limited (**Genesis**) (ASX: **GMD**) is very pleased to advise that Investmet Ltd (**Investmet**) has agreed to take a strategic stake in Genesis and to assist Genesis to raise up to \$3.1 million through a two stage capital raising, which will be completed at a premium to current market prices. The capital raising will initially comprise a Placement to Investmet and nominees, which will be followed by a fully underwritten Entitlement issue.

Genesis' Managing Director, Michael Fowler said: "Investmet's strategic investment will provide us with funds to underpin our ongoing exploration efforts in Chile and Argentina, where we have an excellent suite of exploration projects that provide considerable potential to make a significant discovery. Investmet has a proven track record of providing funding and technical support for junior resources companies and we look forward to working closely with the Investmet team."

Stage 1 of the capital raising will comprise a Placement to raise \$1.8 million, through the issue of 18,000,000 fully paid ordinary shares at \$0.10 per share together with 18,000,000 free unlisted options. Additional subscriptions for a further 4 million shares and 4 million options will be accommodated as required. The Placement will be to Investmet and its nominees and is subject to shareholder approval which is expected to be sought under section 611 item 7 of the Corporations Act during February 2012.

Stage 2 of the capital raising will comprise a fully underwritten one (1) for eight (8) non-renounceable pro-rata entitlements issue, following completion of the Placement. This offer will be made to all Genesis shareholders with registered addresses in Australia and New Zealand on a record date to be announced in due course, and will raise approximately \$1.26 million.

The proceeds from the transaction will be used to explore existing assets and for general working capital.

The Placement remains subject to due diligence enquiries being conducted to Investmet's satisfaction and Investmet Board approval, by 15 December 2011, and the underwriting is subject to execution of an appropriate underwriting agreement on usual and appropriate terms, including termination clauses if Genesis Shareholders do not approve the Placement or Entitlement Issue.

---

## **About Investmet**

Investmet is an unlisted public company managed by experienced industry professionals and supported by private high net worth investors (including its directors and management). It was created to pursue a variety of investment opportunities in resource projects with strong future demand growth and to incubate, develop and enhance the value of these investments through financial, technical and corporate support. Investmet is managed by Executive Chairman Michael Fotios, who is a geologist specialising in economic and structural geology, with extensive experience in exploration throughout Australia and overseas.

In the last 30 months Investmet has assisted and taken strategic positions in ASX-listed Northern Star Resources Ltd, Target Energy Ltd and Pegasus Metals Ltd. Northern Star Resources Ltd has enjoyed considerable success following Investmet's involvement.

## **Capital Raising Details**

Investmet has agreed to subscribe for 18,000,000 fully paid ordinary shares at \$0.10 per share together with 18,000,000 free unlisted options for nil consideration. 6,000,000 of the options will be exercisable at \$0.12 within 12 months of issue; 6,000,000 options will be exercisable at \$0.15 within 24 months of issue, and 6,000,000 options will be exercisable at \$0.20 within 36 months of issue. Additional subscriptions for a further 4 million shares and 4 million options will be accommodated as required.

No placement, corporate advisory, or other capital raising fees will apply to the Placement. The Placement will be made to sophisticated and/or professional investors under section 708 of the Corporations Act, without the issue of a prospectus.

The subsequent fully underwritten Entitlement Issue by way of a prospectus will raise approximately \$1.26 million through a fully underwritten non-renounceable Entitlements Issue of up to 12,614,809 new Shares (plus any additional Shares required to be offered if any existing Options are exercised prior to the Record Date). These figures are subject to increase if the Placement results in the issue of a further 4 million shares and 4 million options. One New Share will be offered for every (8) eight Shares held at the Record Date, at an issue price of \$0.10 per share.

One free attaching Option will be granted for nil consideration with each New Share allotted under the Entitlement Issue, comprising a total of 12,614,809 Entitlement Issue Options, of which 4,204,936 will be exercisable at \$0.12 within 12 months of issue, 4,204,936 will be exercisable at \$0.15 within 24 months of issue, and 4,204,936 will be exercisable at \$0.20 within 36 months of issue. These figures are subject to increase if the Placement results in the issue of a further 4 million shares and 4 million options.

Subject to an underwriting agreement being entered into, Investmet, as underwriter to the Entitlement Issue, shall have the right to place any shortfall in the Entitlement Issue at its sole discretion, subject to Genesis shareholder approval being obtained where required under Listing Rule 10.11 in general meeting.

For general working capital prior to completion of the Placement, Investmet will make available to Genesis a loan of \$500,000, repayable on a maturity date of 30 April 2012 unless an event of default occurs, or unless conversion to equity has already occurred. Conversion may occur on the date the Placement securities are issued and allotted at a conversion price of \$0.10 each plus a free attaching option on the same terms as the Placement Options subject to prior Genesis shareholder approval, or conversion may occur at Investmet's election, at a conversion price of \$0.06 each if Genesis shareholder approval is not received for the issue of the shares in the Placement.

---

Genesis shareholder approval will be sought to appoint Investmet nominee director Mr Damian Delaney at the Meeting. Damian will bring a wealth of corporate experience to the Genesis board. He is a Chartered Accountant with many years experience working with international listed companies. Damian commenced his career in South Africa, qualifying with Coopers & Lybrand, before taking up a series of positions in the United Kingdom. He was until recently Managing Director of ASX listed Nimrodel Resources Ltd. He has worked in the resource sector for the past 6 years where he has been involved in numerous capital raisings. Damian is fully conversant with all regulatory requirements of the Australian markets and has many years' hands on experience managing all aspects of Company's financial and regulatory reporting.

### **Use of Funds**

Genesis intends to use the funds from the capital raising to advance exploration at the Poncha and Los Opeñas Projects in San Juan, Argentina. A 5,500m drilling program is planned for the March 2012 quarter at these Projects to follow-up a number of high-grade epithermal gold targets.

The funds will also be used to continue to explore the Dinamarquesa and Cerro Verde Copper-Gold Projects in northern Chile. Recent drilling at Dinamarquesa has returned very encouraging results from a high grade gold vein system and a porphyry copper – gold system. Results from the recent drilling program are currently being interpreted with further drilling planned to commence in the first half of 2012. At the Cerro Verde Project a program of mapping and sampling is underway.

Genesis is very pleased to have reached agreement to work with Investmet to provide sufficient funding, at a premium to current market value, to further advance its highly prospective projects in Chile and Argentina.



**Michael Fowler**  
**Managing Director**

### **Further Information**

Contact - Michael Fowler

+61 8 9 322 6178 or [mfowler@genesisminerals.com.au](mailto:mfowler@genesisminerals.com.au)

*The information in this announcement was compiled by Michael Fowler, Genesis Minerals Limited Managing Director, who is a Member of The Australasian Institute of Mining and Metallurgy. Michael Fowler has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 JORC Code. Michael Fowler consents to the inclusion in the announcement of the matters based on his information in the form and context in which it appears.*