

GENESIS MINERALS LIMITED

INTERIM FINANCIAL REPORT

A.B.N. 72 124 772 041

FOR THE HALF YEAR ENDED 31 DECEMBER 2012

GENESIS MINERALS LIMITED

FOR THE HALF YEAR ENDED 31 DECEMBER 2012

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GENESIS MINERALS LIMITED

DIRECTORS' REPORT

31 DECEMBER 2012

Your directors present their report, together with the interim financial statements of the Group, being Genesis Minerals Limited (the company) and its controlled entity, for the half year ended 31 December 2012.

DIRECTORS

The names of the directors in office at any time during, or since the end of, the half year are:

NAMES	POSITION	
Michael Haynes	Non-Executive Chairman	resigned (12 February 2013)
Michael Fowler	Managing Director	
Damian Delaney	Non-Executive Director	
Richard Hill	Non-Executive Chairman	appointed (12 February 2013)

OPERATING RESULTS

The consolidated loss of the Group amounted to \$ (1,487,814), (2011: (2,063,893)) after providing for income tax. This represented a 28% decrease on the loss reported for the half year ended 31 December 2011. The decrease was largely due to;

- the exploration expenditure carried out during the current half year was not as sizable as the half year ended 31 December 2011 and as a result, the exploration expenditure in the Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income has declined; and
- the VAT receivable in Chile, which is and will continue to be impaired until production commences, was considerably less at 31 December 2012 than at 31 December 2011.

REVIEW OF OPERATIONS

ARGENTINA PROJECTS, SAN JUAN PROVINCE

The Poncha and Las Opeñas Projects are located in San Juan Province, 200km northwest of the regional capital San Juan and about 40km northwest of the town of Rodeo in the eastern foothills of the Andes, at elevations of between 2,800m and 4,500m above sea level. Infrastructure in the area is good. Access to the Projects is gained via good paved and gravel roads from Rodeo. The Projects are approximately 25km apart.

Poncha

Exploration at the Poncha Project will target high-grade epithermal gold and porphyry gold-copper targets. Drilling will continue at the Epithermal South target to follow up high-grade gold mineralisation (see Genesis ASX release dated July 30, 2012). Also to be targeted in the upcoming drilling program is the large untested alteration system (2km by 2km) coincident with a strong, induced polarisation chargeability anomaly at the Northern Porphyry target at Poncha which points to a large bulk tonnage porphyry system.

GENESIS MINERALS LIMITED

DIRECTORS' REPORT

31 DECEMBER 2012

REVIEW OF OPERATIONS (CONTINUED)

Drilling will commence in the first half of March 2013.

Las Opeñas

Teck, our venture partner in this project, recently notified Genesis that it has elected to exercise its pre-emptive Back-in Right to earn a 60 per cent interest in the Project by spending \$1.2 million.

Teck plans to advance exploration at Las Opeñas in the coming months by targeting the large, strongly mineralised polymictic breccia system highlighted by Genesis as well as the numerous high-grade vein targets.

Genesis discovered wide zones of gold mineralisation with associated silver, lead and zinc (see Genesis ASX release dated December 17, 2012) during its first drilling program at its Las Opeñas Project during November 2012.

The results from the November 2012 drilling program support Genesis' belief that Las Opeñas has the potential to host a multi-million-ounce gold deposit in a large epithermal system.

CERRO VERDE PROJECT, CHILE

The Cerro Verde Project is located in the Atacama Desert in an area serviced by very good infrastructure about 850km north of Santiago, 80km south of the city of Copiapó and 75km east of the Pacific Ocean. The Project is easily accessed by a sealed road and well-formed gravel roads from Copiapó. The altitude ranges from 1,800 to 2,200m, with low to moderate relief. Mining in the area dates back to the 1800's but only limited modern exploration has been completed at the Project. Importantly exploration can be conducted all year round.

Exploration will focus on drilling a series of high-grade, undrilled vein targets together with the detailed systematic sampling of a recently identified 4km x 1km structural corridor from which sampling returned high-grade gold and copper results.

Mineralisation has now been identified to extend over a 6km long by 3km wide zone and is still open to the south, north and east, and a number of areas within the Project area remain partially or completely unexplored and warrant first pass sampling and mapping.

Exploration is planned to commence in March 2013.

AUDITOR'S INDEPENDENCE DECLARATION

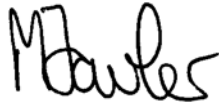
The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the half year ended 31 December 2012 has been received and can be found on page 5 of the interim financial report.

This director's report is signed in accordance with a resolution of the Board of Directors.

GENESIS MINERALS LIMITED

DIRECTORS' REPORT

31 DECEMBER 2012



Director:

.....

Michael Fowler

Dated 8 March 2013

GENESIS MINERALS LIMITED

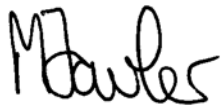
DIRECTORS' DECLARATION

31 DECEMBER 2012

The directors of the Group declare that:

1. the interim financial statements and notes, as set out on pages 6 to 16, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Australian Accounting Standard 134: Interim Financial Reporting and the *Corporations Regulations 2001*; and
 - b. give a true and fair view of the financial position as at 31 December 2012 and of the performance for the half year ended on that date of the company and consolidated group;
2. in the directors' opinion, there are reasonable grounds to believe that the company 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.



Director

Michael Fowler

Dated 8 March 2013

To the Board of Directors

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

As lead audit director for the review of the financial statements of Genesis Minerals Limited for the half year ended 31 December 2012, 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



RANKO MATIĆ CA
Director

DATED at PERTH this 8th day of March 2013

GENESIS MINERALS LIMITED

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE HALF YEAR ENDED 31 DECEMBER 2012

	31 DECEMBER 2012 \$	31 DECEMBER 2011 \$
Revenue	60,534	11,850
Salaries and employee benefits expenses	(230,991)	(212,350)
Impairment expenses	(27,953)	(150,144)
Corporate expenses	(77,017)	(82,916)
Administrative expenses	(200,499)	(133,214)
Depreciation expenses	(3,069)	(2,047)
Share based payments expenses	5 (19,537)	(24,448)
Exploration expenses	(989,282)	(1,468,533)
Finance costs	-	(2,091)
Loss before income taxes	(1,487,814)	(2,063,893)
Income tax expense	-	-
Loss for the half year	(1,487,814)	(2,063,893)
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	53,778	39,180
Items that may not be reclassified subsequently to profit or loss	-	-
Total comprehensive income for the half year attributable to members of the Group	(1,434,036)	(2,024,713)
Loss per share		
Basic and diluted loss per share (cents)	(1.22)	(2.70)

These financial statements should be read in conjunction with the accompanying notes.

GENESIS MINERALS LIMITED

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2012

	31 DECEMBER 2012 \$	30 JUNE 2012 \$
	NOTE	
CURRENT ASSETS		
Cash and cash equivalents	582,274	2,040,132
Trade and other receivables	3,535	18,549
TOTAL CURRENT ASSETS	585,809	2,058,681
NON-CURRENT ASSETS		
Plant and equipment	11,164	12,906
TOTAL NON-CURRENT ASSETS	11,164	12,906
TOTAL ASSETS	596,973	2,071,587
CURRENT LIABILITIES		
Trade and other payables	157,718	312,237
Provisions	68,690	-
TOTAL CURRENT LIABILITIES	226,408	312,237
TOTAL LIABILITIES	226,408	312,237
NET ASSETS	370,565	1,759,350
EQUITY		
Issued capital	12,423,289	12,397,575
Reserves	1,288,946	1,215,631
Accumulated losses	(13,341,670)	(11,853,856)
TOTAL EQUITY	370,565	1,759,350

These financial statements should be read in conjunction with the accompanying notes.

GENESIS MINERALS LIMITED

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF YEAR ENDED 31 DECEMBER 2012

31 DECEMBER 2012

	ORDINARY SHARES \$	ACCUMULAT ED LOSSES \$	SHARE BASED PAYMENT RESERVE \$	FOREIGN CURRENCY TRANSLATIO N RESERVE \$	TOTAL \$
Balance at 1 July 2012	12,397,575	(11,853,856)	1,139,075	76,556	1,759,350
Losses attributable to members of the parent entity	-	(1,487,814)	-	-	(1,487,814)
Other comprehensive income	-	-	-	53,778	53,778
Total comprehensive income	-	(1,487,814)	-	53,778	(1,434,036)
Shares issued during the half year	25,714	-	-	-	25,714
Share based payment expense	-	-	19,537	-	19,537
Sub-total	25,714	(1,487,814)	19,537	53,778	(1,388,785)
Balance at 31 December 2012 <small>30 June 2013</small>	12,423,289	(13,341,670)	1,158,612	130,334	370,565

31 DECEMBER 2011

	ORDINARY SHARES \$	ACCUMULAT ED LOSSES \$	SHARE BASED PAYMENT RESERVE \$	FOREIGN CURRENCY TRANSLATIO N RESERVE \$	TOTAL \$
Balance at 1 July 2011	7,849,148	(6,736,325)	274,837	79,073	1,466,733
Losses attributable to members of the parent entity	-	(2,063,893)	-	-	(2,063,893)
Other comprehensive income	-	-	-	39,180	39,180
Total comprehensive income	-	(2,063,893)	-	39,180	(2,024,713)
Shares issued during the half year	56,100	-	-	-	56,100
Value of conversion rights on convertible notes	20,612	-	-	-	20,612
Share based payment expense	-	-	24,448	-	24,448
Sub-total	76,712	(2,063,893)	24,448	39,180	(1,923,553)
Balance at 31 December 2011 <small>30 June 2012</small>	7,925,860	(8,800,218)	299,285	118,253	(456,820)

These financial statements should be read in conjunction with the accompanying notes.

GENESIS MINERALS LIMITED

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF YEAR ENDED 31 DECEMBER 2012

	31 DECEMBER 2012 \$	31 DECEMBER 2011 \$
CASH FROM OPERATING ACTIVITIES:		
Payments to suppliers and employees	(604,646)	(315,442)
Interest received	30,427	18,480
Payments for exploration and evaluation expenditure	(870,098)	(1,337,431)
Net cash used by operating activities	<u>(1,444,317)</u>	<u>(1,634,393)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of plant and equipment	(1,327)	(3,898)
Net cash used in investing activities	<u>(1,327)</u>	<u>(3,898)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from borrowings	-	300,000
Net cash provided by financing activities	<u>-</u>	<u>300,000</u>
Effects of exchange rate changes on cash and cash equivalents	(12,214)	39,787
Net cash used by other activities	<u>(12,214)</u>	<u>39,787</u>
Net cash decreases in cash and cash equivalents	<u>(1,457,858)</u>	<u>(1,298,504)</u>
Cash and cash equivalents at beginning of the period	2,040,132	1,556,883
Cash and cash equivalents at end of the period	<u>582,274</u>	<u>258,379</u>

These financial statements should be read in conjunction with the accompanying notes.

GENESIS MINERALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2012

1 BASIS OF PREPARATION

The half year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'

The interim financial report is intended to provide users with an update on the latest annual financial statements of Genesis Minerals Limited and controlled entities (the Group). As such it does not contain information that represents relatively insignificant changes occurring during the half year within the Group. This condensed consolidated financial report does not include all the notes normally included in an annual financial report. It is therefore recommended that this financial report be read in conjunction with the annual financial report of the Group for the year ended 30 June 2012, together with any public announcements made during the half year.

The registered office and principal place of business of the Group is: Unit 6, 1 Clive Street West Perth WA 6005.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(A) GOING CONCERN

The half year financial report has been prepared on a 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.

The Group incurred a loss for the half year of \$1,487,814 (2011: \$2,063,893) and net cash outflows from operating activities of \$1,444,317 (2011: \$1,634,393)

On 21 February 2013 the Group announced a placement of 10,000,000 fully paid ordinary shares to raise up to \$500,000 before costs of issue. This placement will be followed by a one for four fully underwritten non renounceable entitlement issue to all shareholders at \$0.05 per new share, to raise a further \$1,650,000.

The directors have prepared a cash flow forecast, which indicates that the Group 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.

Based on the cash flow forecasts and other factors referred to above, the directors are satisfied that the going concern basis of preparation is appropriate.

(B) CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The directors evaluate estimates and judgments incorporated into the interim financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

GENESIS MINERALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2012

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(B) CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (CONTINUED)

SHARE BASED PAYMENTS

The Group measure the cost of equity-settled transactions with employees by reference to the fair value of the equity instrument at the date at which they are granted. The fair value is determined by an internal valuation using a Black-Scholes option pricing model. The valuation relies on the use of certain assumptions. If the assumptions were to change, there may be an impact on the amounts reported.

ENVIRONMENTAL ISSUES

Balances disclosed in the interim financial statements and notes thereto are not adjusted for any pending or enacted environmental legislation, and the directors understanding thereof. At the current stage of the Group's development and its current environmental impact the directors believe such treatment is reasonable and appropriate.

TAXATION

Balances disclosed in the interim financial statements and notes thereto related to taxation are based on the best estimates of the directors. These estimates take into account both the financial performance and position of the Group as they pertain to current income taxation legislation, and the directors understanding thereof. No adjustment has been made for pending or future taxation legislation. The current income tax position represents director's best estimate, pending an assessment by the Australian Taxation Office.

(C) ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to their operations and effective for the current half year.

New and revised Standards and amendments thereof and Interpretations effective for the current half-year that are relevant to the Group include:

Amendments to AASB 1, 5, 7, 101, 112, 120, 121, 132, 133 and 134 as a consequence of AASB 2011-9 'Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income'

The adoption of all the new and revised Standards and Interpretations has not resulted in any changes to the Group's accounting policies and has no effect on the amounts reported for the current or prior half-years. However, the application of AASB 2011-9 has resulted in changes to the Group's presentation of, or disclosure in, its half-year financial statements.

Under the amendments to AASB 101, the statement of comprehensive income is renamed as a statement of profit or loss and other comprehensive income. The amendments also require items of other comprehensive income to be grouped into two categories in the other comprehensive income section: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. The amendments have been applied retrospectively and the application of the amendments to AASB 101 do not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

GENESIS MINERALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2012

3 ISSUED CAPITAL

	31 DECEMBER 2012 \$	30 JUNE 2012 \$
122,126,239 (30 June 2012: 121,783,379) Ordinary shares	13,068,346	13,042,632
- (30 June 2012: -) Conversion rights	25,633	25,633
Share issue costs written off against issued capital	(670,690)	(670,690)
	<u>12,423,289</u>	<u>12,397,575</u>

MOVEMENT IN ORDINARY SHARES

	NO.	\$
Balance at 30 June 2011	77,408,477	7,849,148
Shares issued during the half year	510,000	56,100
Value of conversion rights on convertible notes	206,120	20,612
Balance at 31 December 2011 31 December 2011	78,124,597	7,925,860
Balance at 30 June 2012	121,783,379	12,397,575
Share based payment (14 November 2012)	342,860	25,714
Balance at 31 December 2012	122,126,239	12,423,289

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

GENESIS MINERALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2012

4 OPERATING SEGMENTS

IDENTIFICATION OF REPORTABLE SEGMENTS

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Group is managed primarily on the basis of geography as the Group's area of operations inherently have notably different risk profiles and performance assessment criteria. Operating segments are therefore determined on the same basis.

Reconciliation of segment revenue to statement of comprehensive income

	31 DECEMBER	31 DECEMBER
	2012	2011
	\$	\$
SOUTH AMERICAN EXPLORATION SEGMENT		
Total segment revenue	-	-
Other revenue	60,534	11,850
Total revenue	<u>60,534</u>	<u>11,850</u>

Reconciliation of segment operating profit to the statement of comprehensive income

	31 DECEMBER	31 DECEMBER
	2012	2011
	\$	\$
SOUTH AMERICAN EXPLORATION SEGMENT		
Segment net operating profit	(1,167,493)	(1,706,544)
Depreciation expenses	(1,127)	(2,047)
Salaries and employee benefits expenses	(230,991)	(212,350)
Share based payments expenses	-	(24,448)
Other corporate and administration expenses	(88,203)	(116,413)
Corporate interest expense	-	(2,091)
Total net profit after tax	<u>(1,487,814)</u>	<u>(2,063,893)</u>

GENESIS MINERALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2012

4 OPERATING SEGMENTS (CONTINUED)

Reconciliation of segment assets to the condensed consolidated statement of financial position

	31 DECEMBER	30 JUNE
	2012	2012
	\$	\$
SOUTH AMERICAN EXPLORATION SEGMENT		
Segment assets	23,024	21,647
Other corporate and administration assets	573,949	2,049,940
Total assets per the condensed consolidated statement of financial position	<u>596,973</u>	<u>2,071,587</u>

Reconciliation of segment liabilities to the condensed consolidated statement of financial position.

	31 DECEMBER	30 JUNE
	2012	2012
	\$	\$
SOUTH AMERICAN EXPLORATION SEGMENT		
Segment liabilities	3,840,914	4,197,645
Intersegment eliminations	(3,774,981)	(4,167,906)
Other corporate and administration liabilities	160,475	282,498
Total liabilities per the condensed consolidated statement of financial position	<u>226,408</u>	<u>312,237</u>

5 SHARE-BASED PAYMENTS

At 31 December 2012 the Group has the following share-based payment schemes:

(i) The Group established the Genesis Minerals Limited Employee Option Plan on 15 May 2007. On 7 November the Group came to an agreement to grant 750,000 options to the Chilean Manager of the Group's South American asset base.

The fair value of the options granted to employees is deemed to represent the value of the employee services received over the vesting period. The 750,000 options were issued in 3 tranches, each containing 250,000 options. Each tranche contained the following vesting conditions:

- Tranche 1 - vest immediately
- Tranche 2 - vest on 1 November 2013
- Tranche 3 - vest on 1 November 2014

The expense arising for the options issued during the half year was \$ 19,537. This value was calculated by using a Black-Scholes option pricing model applying the following inputs:

GENESIS MINERALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2012

5 SHARE-BASED PAYMENTS (CONTINUED)

	31 DECEMBER 2012	30 JUNE 2012
Underlying share price (cents)	9.00	-
Weighted average exercise price (cents):	12	-
Weighted average life of the option (years):	3	-
Expected share price volatility (%):	128.00%	- %
Risk-free interest rate (%):	2.79%	- %

Historical volatility has been the basis for determining expected share price volatility as it assumed that this is indicative of future movements.

The life of the options is based on the historical exercise patterns, which may not eventuate in the future.

In addition to the above share based payment, 342,860 fully paid ordinary shares were issued to the vendor of the Cerro Verde acquisition and in accordance with the agreement under which the acquisition was made. The shares were valued at grant date, 30 September 2012, using the closing market price of 7.5 cents. The expense recognised during the half year was \$25,714.

GENESIS MINERALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2012

5 SHARE-BASED PAYMENTS (CONTINUED)

A summary of options issued is as follows:

EXPIRY DATE	EXERCISE PRICE (CENTS)	START OF THE YEAR	GRANTED DURING THE YEAR	EXERCISE D DURING THE YEAR	FORFEITE D DURING THE YEAR	BALANCE AT THE END OF THE YEAR	VESTED AND EXERCISABLE AT THE END OF THE YEAR
30 September 2012	10.00	600,000	-	-	(600,000)	-	-
28 February 2013	20.00	500,000	-	-	-	500,000	500,000
1 March 2013	12.00	13,510,596	-	-	-	13,510,596	13,510,596
23 August 2013	15.00	75,000	-	-	-	75,000	75,000
23 August 2013	20.00	75,000	-	-	-	75,000	75,000
30 November 2013	31.00	2,400,000	-	-	-	2,400,000	2,400,000
1 March 2014	15.00	13,510,596	-	-	-	13,510,596	13,510,596
31 December 2014	22.00	9,500,000	-	-	-	9,500,000	9,500,000
1 March 2015	20.00	13,510,596	-	-	-	13,510,596	13,510,596
30 November 2015	12.00	-	750,000	-	-	750,000	250,000

6 EVENTS AFTER THE END OF THE REPORTING PERIOD

On 21 February 2013 the Group announced a placement of 10,000,000 fully paid ordinary shares to raise up to \$500,000 before costs of issue. This placement will be followed by a one-for-four fully underwritten non-renounceable entitlement issue to all shareholders at \$0.05 per new share, to raise a further \$1,650,000.

On 12 February 2013, Michael Haynes resigned as Non-Executive Chairman and was replaced in that position by Richard Hill.

Since 31 December 2012, 14,010,596 options have expired unexercised.

Except for the above, no other matters or circumstances have arisen since the end of the half year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Independent Auditor's Review Report

To the Members of Genesis Minerals Limited

We have reviewed the accompanying half-year financial report of Genesis Minerals Limited ("the Company") and Controlled Entities ("the Consolidated Entity") which comprises the condensed consolidated statement of financial position as at 31 December 2012, 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 half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration.

Directors Responsibility for the Half-Year Financial Report

The directors of the Company are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year 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 December 2012 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Genesis Minerals Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year 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.

Independent Auditor's Review Report

To the Members of Genesis Minerals Limited (Continued)



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 half-year financial report of Genesis Minerals 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 December 2012 and of its performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134: Interim Financial Reporting and Corporations Regulations 2001.

BENTLEYS
Chartered Accountants

RANKO MATIĆ CA
Director

DATED at PERTH this 8th day of March 2013