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ASX Announcement

PONCHA DRILLING PROGRAM COMMENCES

Genesis Minerals Limited (“Genesis” or “the Company”) (ASX:GMD) is very pleased to announce it has commenced its first ever drilling program at the Poncha Project in San Juan, Argentina. A drilling program of up to 4,000m will target both high-grade and bulk tonnage epithermal gold targets.

The program will focus on the Southern Epithermal Prospect where historical wide-spaced drilling (see *Genesis Minerals Limited ASX Release, 06-04-2011*) returned significant results including:

- Hole PC13 - 266m @ 1.21g/t gold including:
 - 22m @ 3.01g/t gold, 5.4g/t silver, 0.3% zinc; and
 - 61m @ 3.04g/t gold containing 4m @ 10.84g/t gold and 7.9g/t silver, and 8m @ 10.91g/t gold and 24g/t silver.
- Hole PC09 - 6m @ 7.4g/t gold, 7.0g/t silver, 0.5% zinc.

Upgrading the access road to Poncha, platform construction for drilling and camp setup has been ongoing since the beginning of April 2012.

Updates will be released as drilling at Poncha progresses and results are received.

Following the completion of the construction of drilling platforms at Poncha, the upgrading of the access road to the Los Opeñas Project will commence. A 1,500m drilling program is planned to commence at Los Opeñas in early June 2012 immediately following the current drilling program at Poncha.

Michael Fowler
Managing Director

Further Information

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The information in this announcement was compiled by Michael Fowler, Genesis Minerals Limited’s 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.

Background

Genesis Minerals Limited has agreements in place with Teck Argentina Ltd. (“Teck”), a wholly owned subsidiary of Teck Resources Limited, to acquire 100% of Teck’s right and interest in the Poncha and Los Opeñas epithermal gold projects in San Juan Province, Argentina.

Location and Access

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

Previous Exploration

Teck first identified Poncha in 2005. Exploration between 2006 and 2009 comprised drilling of 18 holes for 6,531m, geochemical sampling, geophysical surveying and geological mapping. Two targets were explored during this period; a northern porphyry copper-gold target and an epithermal gold target southern part of the project. The majority of the drilling was completed at the Southern Epithermal Prospect.

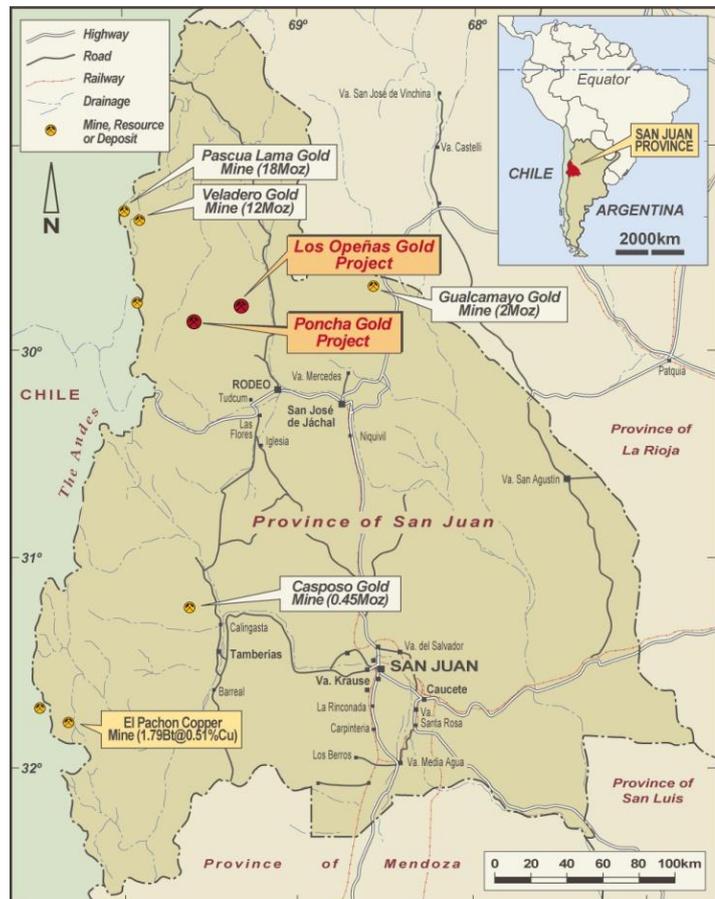


Figure 1. Location of the Poncha and Los Opeñas Projects.

The wide-spaced drilling at the Southern Epithermal Prospect returned results including:

- Hole PC13 - 266m @ 1.21g/t gold including:
 - 22m @ 3.01g/t gold, 5.4g/t silver, 0.3% zinc; and
 - 61m @ 3.04g/t gold containing 4m @ 10.84g/t gold and 7.9g/t silver, and 8m @ 10.91g/t gold and 24g/t silver.
- Hole PC 09 - 6m @ 7.4g/t gold, 7.0g/t silver, 0.5% zinc

Further/subsequent mapping and re-interpretation following the drilling identified a strong north to north northeast control on gold mineralisation associated with jarosite-pyrolusite faults and/or phreatomagmatic breccia bodies. This north to north northeast orientation has had very limited testing and will be subject to testing by Genesis by east-west orientated drilling in a forthcoming drilling program. An initial area of 800m x 400m will be targeted. This outcropping mineralised zone lies within a much larger target area that is covered by scree that may conceal additional mineralisation.

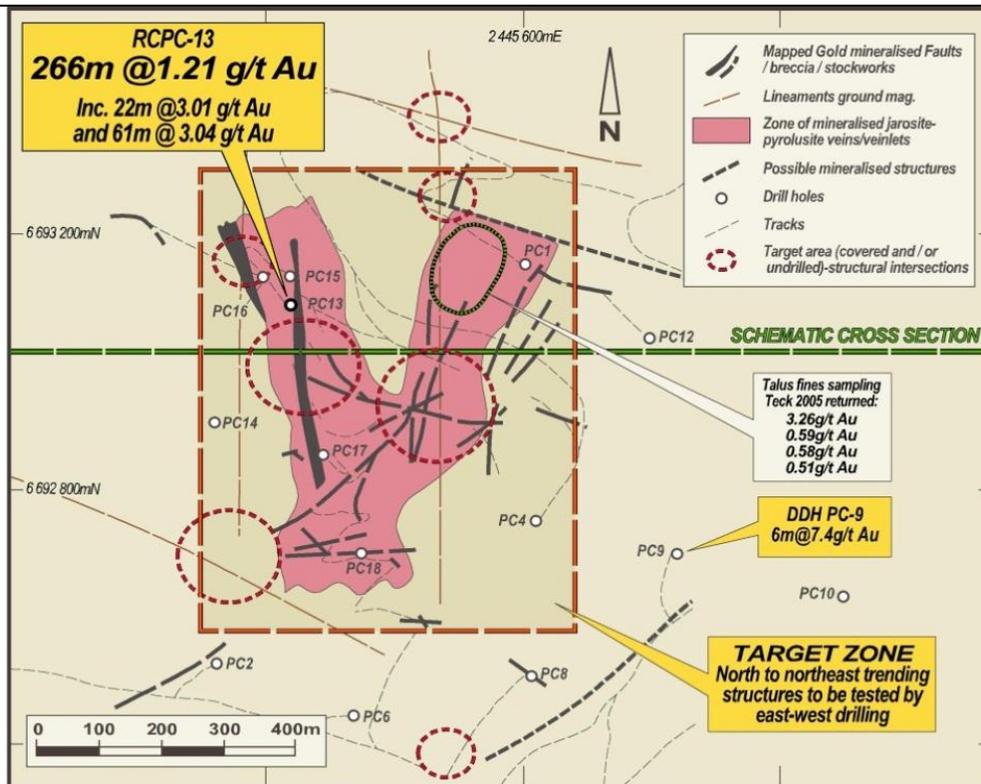


Figure 2. Southern Epithermal Target at the Poncha Project.

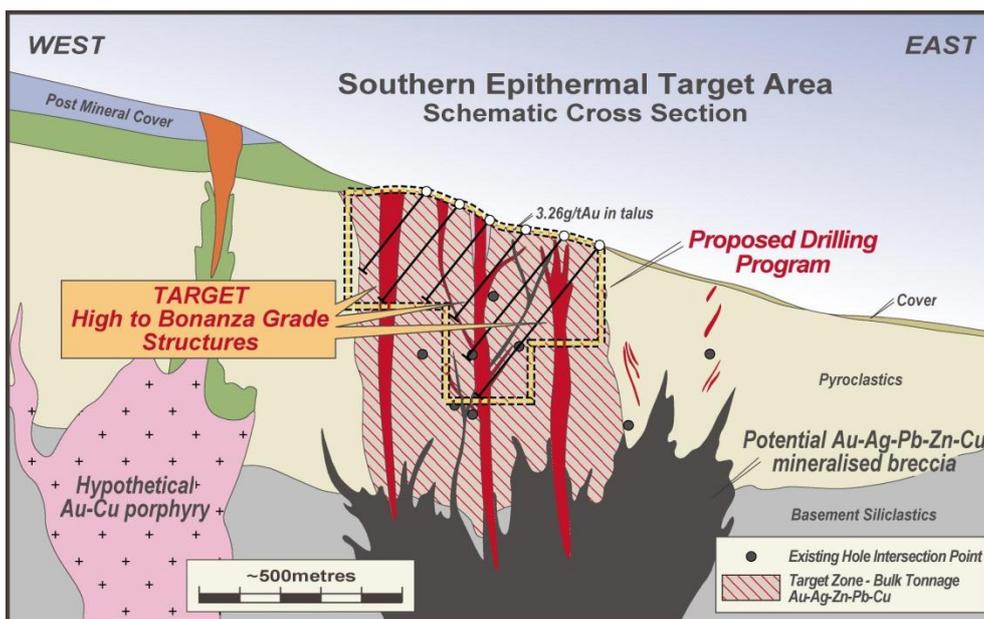


Figure 3. Southern Epithermal Target, Poncha Project – Schematic Cross Section.