FIRST DRILL RESULTS HIGHLIGHT POTENTIAL FOR SUBSTANTIAL GOLD DEPOSIT AT LAS OPEÑAS PROJECT, ARGENTINA

Next drilling program set for new year, paving way for strong newsflow over coming months

Highlights

• Wide, shallow intersections of gold, plus silver, lead and zinc, point to potential for substantial bulk-tonnage project at Las Opeñas

• Results include:
  - 115m @ 0.58g/t gold, 3.5g/t silver, 0.24% lead and 0.65% zinc from 18m to end of hole
     • including 47.1m @ 0.84g/t gold, 3.5g/t silver, 0.21% lead and 0.63% zinc from 80.4m
  - 29.4m @ 0.57g/t gold, 9.9g/t silver, 0.29% lead and 1.1% zinc from 65m

• Results highlight intermediate sulphidation epithermal mineralisation with strong potential to host bulk-tonnage gold deposits

• Plus, rock chip samples point to existence of narrow, high-grade veins which would boost economics of a bulk-tonnage project

• Large, strongly mineralised (gold-silver-zinc-lead) polymictic breccia system outlined – limited first pass evaluation

• Numerous high-grade vein targets to be drill tested as part of new year’s exploration program

Genesis Minerals Limited (ASX:GMD) is pleased to announce that the first drilling program at its Las Opeñas Project in San Juan Province, Argentina has discovered wide zones of gold mineralisation with silver, lead and zinc (see Table 1).

The results support Genesis’ belief that Las Opeñas has the potential to host a multi-million-ounce gold deposit in a large epithermal system.

Genesis also believes that rock chip samples and mapping confirm the strong potential for narrow, high-grade veins within this system. These veins, which will be drill tested as part of the new year’s exploration program, would significantly boost the economics of a bulk-tonnage operation.
This theory is supported by the first and only hole drilled so far to test a high-grade vein target. This hole returned 1m @ 2.93g/t gold and 21g/t silver from 49m.

In the recently completed first drilling program, a wide zone of gold mineralisation (see Figure 1) was intersected in drill hole 12 LODH 003, with analytical results including:

- 115m @ 0.58g/t Au, 3.5g/t Ag, 0.24% Pb and 0.65% Zn from 18m to end of hole
  - including 47.1m @ 0.84g/t Au, 3.5g/t Ag, 0.21% Pb and 0.63% Zn from 80.4m

Hole 12 LODH 011 located 340m to the northwest of 12 LODH 003 intersected:

- 29.4m @ 0.57g/t Au, 9.9g/t Ag, 0.29% Pb and 1.1% Zn from 65m

Exploration in the new year will be targeted at rapidly and systematically testing the breccia and high-grade vein systems at Las Opeñas with the aim of confirming the significance of the epithermal mineralisation at the Project.

Genesis Managing Director Michael Fowler said the initial results at Las Opeñas were extremely promising and validated the Company’s belief in the project and its geological model.

“Our first program of drilling at Las Opeñas confirmed the excellent potential of this Project,” Mr Fowler said. “This potential is demonstrated by the wide zones of gold mineralisation returned in the limited drilling completed so far, as well as the numerous high-grade structural targets that are untested at Las Opeñas.”

In addition to the results from holes 12 LODH 003 and 011, very encouraging results from near surface have been returned from 10 of the other 12 holes drilled, including:

- 12 LODH 005 - 8.15m @ 0.55 g/t gold, 4.78 g/t silver, 0.32% lead and 0.88% zinc
- 12 LODH 007 - 1.5m @ 4.75 g/t gold, 14.8 g/t silver, 0.3% lead and 0.48% zinc
- 12 LODH 009 - 59.6m @ 0.24 g/t gold, 2g/t silver, 0.1% lead and 0.27 % zinc

Figure 1. Las Opeñas drill hole locations and results.
Very wide zones of strongly anomalous base metal mineralisation (see Figure 1) have been returned from all holes targeting the breccias at Las Opeñas, including:

- 12 LODH 005 - 87.9m @ 0.20% lead and 0.43% zinc
- 12 LODH 007 - 104m @ 0.11% lead and 0.53% zinc
- 12 LODH 008 - 97.9m @ 0.14% lead and 0.45% zinc

Mineralisation intersected in 12 LODH 003 (see Figure 2) is hosted by a weakly to moderately argillic altered, polymictic breccia comprising clasts of dacite, granodiorite and fine-grained sediments. Pyrite, sphalerite and galena occur as disseminations within the clasts and matrix as well as within veinlets cutting both clasts and matrix. The mineralisation is open at depth and along strike and is interpreted to develop in an overall ENE orientation.
Gold mineralisation in hole 12 LODH 011 (see Figure 3) is hosted within moderately silicified, strongly argillic altered polymictic breccias and fine grained sediments with pyrite, sphalerite and galena mineralisation being strongly disseminated and within later crosscutting veinlets. Only one hole tested this target.

Next Steps

A program of detailed mapping, geophysical surveying (ground magnetics and induced polarisation) and soil geochemical sampling is proposed for completion over the coming months. Subject to Teck’s earn-back rights, drilling at Las Opeñas in February 2013 will systematically test the large (>1km x 1km) area of breccia targets highlighted in Figure 4 and also test the high-grade epithermal vein system which is, to date, untested by drilling. Rock chip sampling of the vein system has previously returned values up to 49g/t gold, 183g/t gold and 6,800g/t silver.

**Target Type**

Recent exploration highlights the potential to discover a large "intermediate sulphidation" epithermal gold mineralised system at Las Opeñas, similar to those being developed at numerous locations in northern South America (e.g. Fruta del Norte, Ecuador, and Buritica, Colombia) and being mined in Mexico (e.g. Penasquito). Intermediate sulphidation epithermal systems typically have high-grade, narrow, sulphide-only veins within haloes of lower grade gold-silver-base metal mineralisation. This style of mineralisation commonly has a strong base-metal mineralisation and large vertical extent. A number of these types of deposits have been discovered in South America in the past 5 to 10 years (see Figure 5).
Background

Genesis Minerals Limited has agreements 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 Las Opeñas epithermal gold projects in San Juan Province, Argentina subject to an earn-back right or royalty to Teck.

Location and Access

The Poncha and Las 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. Access to the Projects is gained via good paved and gravel roads from Rodeo. The Projects are approximately 25km apart.

Previous Exploration by Teck

An extensive high-grade epithermal system has been identified by mapping at Las Opeñas at surface over 4.5 km of strike, with rock grab sampling returning values including 49 g/t gold, 183 g/t gold and 6,800 g/t silver. Teck’s channel sampling of outcropping breccia bodies returned results including 20m @ 4.69 g/t gold together with strongly anomalous zinc, lead and silver (see Genesis ASX Release dated April 6, 2011).

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.
Table 1 Significant mineralisation > 0.1g/t gold – 12 LODH 001 to 12 LODH 014

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- Final assay results from ½ HQ diamond core
- Analysis completed by ALS., Mendoza
- All samples were analysed for gold and silver by fire assay, and copper, lead, and zinc by ICP
- Reference standards, duplicate and blank samples were routinely submitted and were within acceptable limits based on current data.
- Drill hole collar positions surveyed by GPS (+-3m) and down hole surveys by a down hole Reflex EZ Track instrument.