Canadian Major to Earn Back into Las Opeñas Gold Project following highly promising results

Highlights

Las Opeñas Project, San Juan, Argentina

- Diversified Canadian miner Teck elects to earn back to 60% of Las Opeñas gold-silver-zinc-lead project in Argentina from Genesis
- Teck to become project operator
- Teck can earn stake by spending $1.2m on exploration
- Teck’s decision follows highly promising drilling results which highlight potential for a large, bulk-tonnage gold deposit
- Drilling results have included:
  - 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
- Next drilling program set to target large, strongly mineralised polymictic breccia system
- High-grade vein targets also to be drill-tested

Genesis Minerals Limited (“Genesis”) is pleased to announce that diversified Canadian miner Teck Resources Limited, through its subsidiary Teck Argentina Ltd (“Teck”), has delivered notice that it has elected to earn back a stake of 60 per cent in Genesis’ Las Opeñas Project in San Juan, Argentina.

Following Genesis’ notification to Teck in December 2012 that Genesis had earned a 100 per cent interest to Teck’s rights and interest in the Project, Teck 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 mineralised system highlighted by Genesis.

Genesis discovered wide zones of gold mineralisation with associated silver, lead and zinc (see Table 1 and Genesis ASX release dated 17 December, 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.
Genesis Managing Director Michael Fowler said Teck’s decision to earn back into the Las Opeñas Project was extremely positive and validated the Company’s belief in the Project and its geological potential.

“The fact that Canada’s largest diversified mining company has elected to become operator and invest in further exploration at Las Opeñas is a huge vote of confidence in the Project,” Mr Fowler said.

“The results generated by Genesis support our view that Las Opeñas has the potential to host a multi-million-ounce orebody. This belief can be further tested with the help of Teck’s immense knowledge and experience.

“Teck has a track record of exploration and development success at both 100 per cent-owned and joint venture projects in South America. We are delighted that Genesis’ shareholders stand to benefit from its involvement at Las Opeñas.”

Las Opeñas Background

Genesis completed its first drilling program at Las Opeñas in November 2012, intersecting a wide zone of gold mineralisation 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

Figure 1. Las Opeñas drill hole locations and results.

In addition to the results from holes 12 LODH 003 and 011, very encouraging results from near surface were 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 - 1.50m @ 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
Very wide zones of strongly anomalous base metal mineralisation (see Figure 1) were 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.

![Figure 3](image3.png)

**Figure 4. High-grade vein targets and breccia hosted mineralisation**

**Target Type**

Recent exploration highlights the potential to discover large “intermediate sulphidation” epithermal gold mineralised systems at Las Opeñas and Poncha, 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 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).

![Figure 5](image5.png)

**Figure 5. Intermediate Sulphidation Deposits**

**Agreement Summary**

The Las Opeñas Agreement with Teck required Genesis to undertake work expenditures on the Project totalling US$500,000 with a commitment to complete 1,500m of drilling on the Project by March 30, 2013.

Genesis earned a 100% interest in December 2012 to Teck’s rights and interest in and to the Project subject to a Back-in Right and NSR royalty. Genesis is required to issue 500,000 Genesis shares to Teck or
its nominee by March 31, 2013. Teck elected to exercise their right to Earn Back in to a 60% interest in the Las Opeñas Project in February 2013. Teck must incur expenditures equal to four times Genesis’ expenditures multiplied by the percentage interest Teck is earning back (60%), to a maximum of $1.2 million.

Upon completion of the Earn-back by Teck a Joint Venture Company shall be formed to explore and, if warranted, develop the Project with the parties’ Joint Venture interests being 60% Teck and 40% Genesis.

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.
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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.