Genesis Commences Drilling at Poncha

Strong news-flow expected over the next 2 to 4 months from drilling of advanced targets in world class gold-base metal terrains.

Highlights

- 2,500m diamond drilling program commenced at Poncha in San Juan, Argentina
- Drilling to target high-grade epithermal gold targets along with potential bulk tonnage breccia targets
- Also targeting large porphyry gold-copper system
- Previous results highlight potential for significant discovery

Genesis Minerals Limited (ASX Code: GMD) is pleased to announce that a 2,500m drilling program has commenced at its Poncha Project in San Juan, Argentina.

Drilling will continue at the Southern Epithermal Target to follow up high-grade gold mineralisation (see Genesis ASX release dated July 30, 2012) returned in 2012.

High-grade gold mineralisation was intersected in drill-hole 12 PODH 003, with analytical results including:

- 12.15m @ 4.87 g/t gold, 15.9 g/t silver and 0.49% zinc

Hole 12 PODH 003 was drilled perpendicular to a previous drill hole PC13 (see Genesis ASX release dated April 6, 2011) that intersected:

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

The strike extensions of these results along with a number of gold geochemical surface anomalies and structural targets will be tested at the Southern Epithermal Target.

Also to be targeted in the 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.
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.
Target Type

Recent exploration at the Projects highlights the potential to discover large “intermediate sulphidation” epithermal gold mineralised systems at Poncha and Las Opeñas, similar to those being developed at numerous locations in northern South America (e.g. Fruta del Norte (FDN), 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).

Figure 5. Intermediate Sulphidation Deposits.

Genesis has an agreement with Teck Argentina Ltd. (“Teck”), a wholly owned subsidiary of Teck Resources Limited, to acquire 100% of Teck’s rights and interest in the Poncha project, subject to a “Back-in Right” or royalty to Teck.

Genesis believes that the exploration results to date, indicate that Poncha and Las Opeñas have the potential to host a large “intermediate sulphidation”, high grade epithermal gold deposit similar in nature to such projects as those multi-million ounce deposits being developed in northern South America.

Las Opeñas

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, 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 this year 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.

Mapping and geochemical sampling commenced in early March 2013.

Figure 3. Cerro Verde Location Plan

Michael Fowler
Managing Director
+61 8 9 322 6178 or mfowler@genesisminerals.com.au

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.