

Genesis Minerals Limited

ASX Code: GMD

Issued Capital

165.6 million shares
23.7 million options

Current Share Price

\$0.025

Market Capitalisation

\$4.0 million

Board Members

Richard Hill
Chairman

Michael Fowler
Managing Director/CEO

Damian Delaney
Non-Executive Director
Company Secretary

Major Shareholders

Investmet Limited
Argonaut
Wyllie Group Pty Ltd
Westoria Fund

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GENESIS TO RAISE \$1.6M TO FUND MAJOR GOLD EXPLORATION PUSH

Positive news-flow expected within 2 months from drilling of high-priority targets

Highlights

- Genesis to complete a \$1.6 million placement with strong financial support from diversified Canadian Miner, Teck Resources Limited (“Teck”)
- Continuing support from all major shareholders

Las Opeñas Gold Project, San Juan Argentina

- Genesis to retain its 100% interest
- Significant drill program commencing in May to test main part of projected mineralised zone highlighted from recent drilling and Induced Polarisation (“IP”) survey
- Extensive surface gold mineralisation and a mapped breccia system coincident with the IP anomaly confirms the potential for Genesis to define a very large, outcropping gold – base metal system

Alliance Gold Projects, San Juan Argentina

- Genesis given opportunity to expand its portfolio in San Juan by earning up to a 100% interest in additional high-quality, early stage gold projects owned by Teck

Viking Gold Project, Western Australia

- Initial drill program to commence in May at the recently acquired Viking Project in Western Australia
- Upcoming program to systematically test a series of high-grade vein targets and surface gold anomalies open at depth and along strike at the high-priority Beaker Prospect
- Viking offers Genesis the unique opportunity to define shallow, high-grade gold resources capable of being rapidly and cheaply advanced towards development
- Close to existing under-utilised gold mills and mining infrastructure

Genesis Minerals Ltd (ASX: GMD) ('Genesis' or the 'Company') is pleased to announce it has raised \$1.33 million by way of an ordinary share placement to sophisticated investors (the "Ordinary Placement") and a further US\$250,000 placement to Teck (the "Teck Placement") will be completed concurrently with the completion of the Ordinary Placement.

This capital raising will allow Genesis to complete a significant Phase 2 drill program at the Las Opeñas precious and base-metal epithermal project ('Las Opeñas') located in the pre-cordillera of San Juan Province, Argentina targeting the large, well mineralised breccia system discovered by Genesis drilling during 2012. In Western Australia Genesis will commence a systematic test of a series of high-grade vein targets and surface gold anomalies that have been outlined to date at the 7km x 7km Beaker Prospect at Genesis' 100% owned Viking Project ('Viking') near the historical gold centre of Norseman.

Subject to the completion of the Ordinary Placement and the Teck Placement (collectively, the "Placements") as set out below, Genesis will commit to the completion of a minimum of 2,400m of drilling at Las Opeñas by September 30, 2014. During this period Genesis will retain its 100% interest in the Las Opeñas Project while Teck will retain its right to earn back-in to the Las Opeñas Project.

Subject to completion of the Placements, Teck has offered Genesis the opportunity to explore a number of early stage but highly prospective gold projects in Argentina held by Teck Argentina Ltd, a wholly owned subsidiary of Teck ("Teck Argentina"), being the Castaños, Espota, Fierro and Fortuna Projects in San Juan, Argentina (Figure 1) (the "Alliance Projects"). Under this arrangement, Genesis will have an option to earn up to a 100% interest in the Alliance Projects. Genesis intends to leverage off Teck's geological knowledge of the San Juan pre-cordillera and rapidly complete initial low-cost, exploration programs over the Alliance Projects. Exploration of the Alliance Projects in the coming months will focus on mapping, geochemical sampling and geophysical surveying at the Castaños Project and initial geochemical sampling of the Espota Project which contains an untested, strike extensive vein system.

Genesis Managing Director Michael Fowler said Teck's decision to invest in Genesis is positive and validates our belief in the Las Opeñas Project and its potential to deliver a significant deposit.

"The proceeds of the Placements will enable the Company to complete a strong exploration push over the coming months with a significant drill program to test the potential scale and tenor of the gold-base metal mineralisation at the large Las Opeñas breccia system and a cost effective program at our local Viking project to rapidly drill-test a series of high-grade gold targets," Mr Fowler said.

"The strong support of our investors endorses the prospectivity of the Company's projects. We welcome the opportunity to add Teck to the shareholder register in a meaningful way and we are delighted that Genesis' shareholders both old and new stand to benefit from our ongoing involvement at Las Opeñas and the Alliance Projects."

Placement Details

The Ordinary Placement has been made to eligible institutional and sophisticated investors, without disclosure under the Corporations Act, and will consist of two tranches. Tranche one (24.8 million shares) is made under the Company's remaining capacity under Listing Rule 7.1 and without shareholder approval. Tranche 2 (53.6 million shares) is subject to shareholder approval, to be sought at a shareholder meeting to be held in late April 2014 to early May 2014.

The placement price is 1.7 cents per share, which represents a:

- 27% discount to the 5 day VWAP on the ASX of \$0.023 per share for the period ending 17 March 2014;
- 32% discount to the closing price on the ASX of 2.5 cents on 17 March 2014

Genesis will issue a further 16.3 million shares to Teck pursuant to the Teck Placement to raise gross proceeds of approximately \$270,000 depending on the exchange rate at the time. The Teck Placement is subject to Genesis completing the Ordinary Placement and will close concurrently with the Ordinary Placement and will require shareholder approval.

Total proceeds from the Placements will be approximately \$1.6 million.

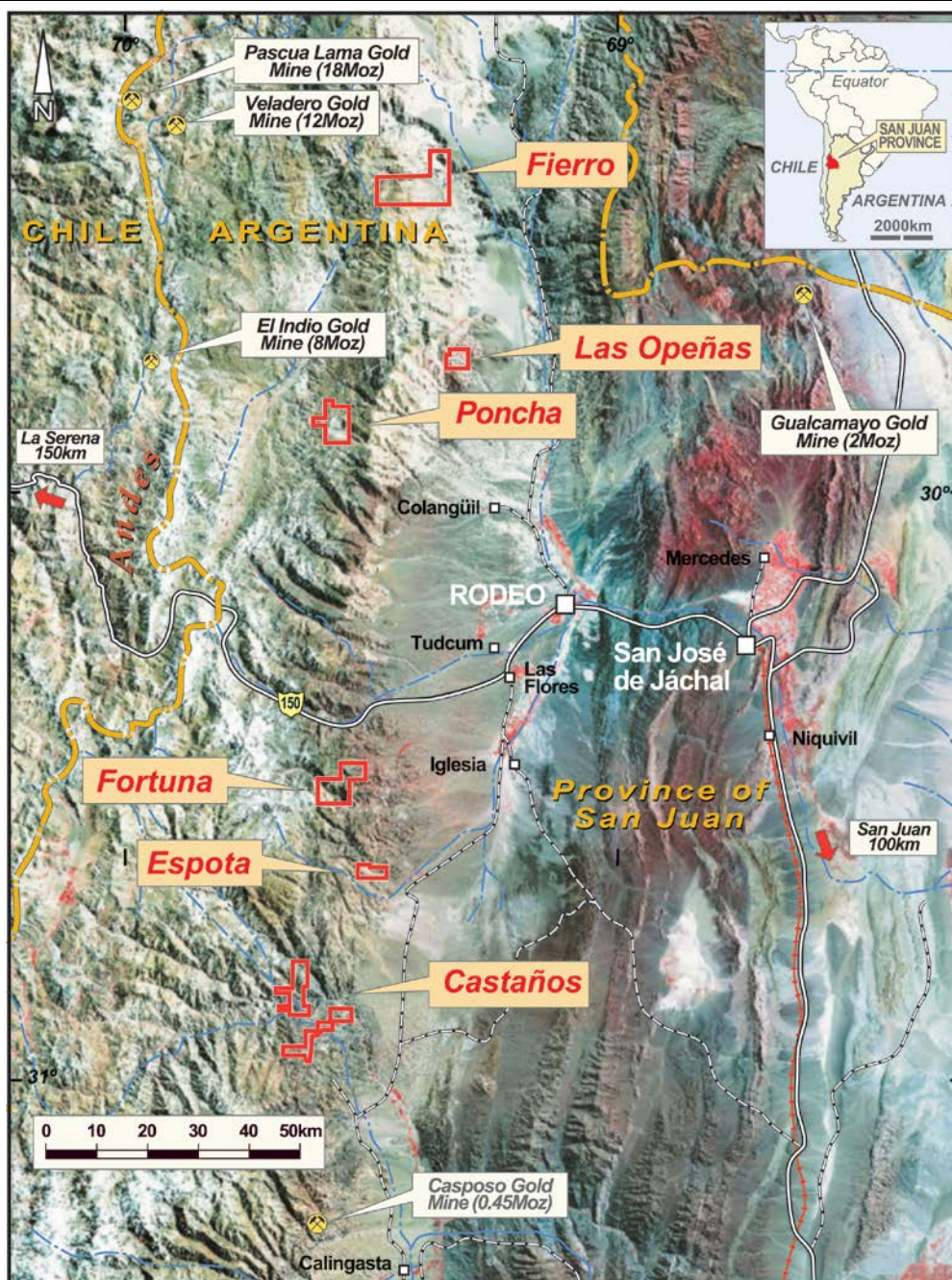


Figure 1 Project Locations map

Revised Las Opeñas Terms

Provided that the Placements are completed by no later than May 15, 2014, Genesis will commit to the funding and completion of a minimum of 2,400m of drilling at Las Opeñas by September 30, 2014 (the "Phase 2 Drilling"). During this period Genesis will retain its 100% interest in the property pursuant to its existing option agreement with Teck Argentina (the "Underlying Agreement").

Upon completion of the Phase 2 Drilling, Teck will then have 60 days to deliver notice to Genesis of its election to exercise its back-in right to earn-back a 60% interest in the property (the "Back-in Right").

Provided that Teck elects to exercise the Back-in Right, Teck shall earn-back a 60% interest in the property if it incurs Expenditures on the property equal to four times Genesis' total Expenditures incurred on the property to the date of Teck's election, multiplied by 60%, to a maximum of US\$3,600,000, less Teck's Expenditures incurred in 2013 and less US\$250,000, being the amount of the Teck Placement. Such Expenditures are to be completed within 24 months of the Back-in Right election notice with a minimum Expenditure of \$US1,000,000 to be completed within 12 months of the Back-in Right election notice.

Teck shall retain the 2% NSR as contemplated by the Underlying Agreement as amended, which NSR shall be extinguished should Teck exercise the Back-in Right and earn a 60% interest.

In the event that the Placements are not completed by May 15, 2014, the Underlying Agreement will remain in its existing form and will not be amended as set out above.

Alliance Projects Terms

Provided that the Placements are completed by no later than May 15, 2014, Genesis shall be granted an option to earn a 100% interest in each of the Alliance Projects (each an "Option"), subject to Teck's back-in right and a 2% NSR reserved to Teck, on substantially similar terms and conditions as the Underlying Agreement, including those set out below.

Genesis will commit to incur a minimum of US\$200,000 in guaranteed expenditures (mapping, geochemical sampling, and first pass geophysical surveying) on the Alliance Projects, US\$80,000 of which must be incurred on the Castaños project, prior to May 15, 2015.

Genesis may exercise the Option on an Alliance Project by completing a minimum of 1,200m of drilling on such Alliance Project by December 31, 2015. Upon completion of the Option requirements on an Alliance Project and delivery of notice of such to Teck (the "Option Notice"), Genesis will have earned a 100% interest in Teck's rights and interest in and to such Alliance Project subject to Teck's back-in right and the NSR royalty reserved to Teck.

Teck may exercise such back-in right by incurring expenditures equal to four times Genesis' expenditures on such Alliance Project multiplied by 60%. Such expenditures are to be completed within 24 months of the back-in election notice with a minimum of 40% of the back-in expenditures to be incurred within 12 months of the back-in election.

Teck shall retain a 2% NSR on each Alliance Project which NSR shall be extinguished for an Alliance Project should Teck exercise the back-in right. Upon Teck exercising its back-in right on an Alliance Project, the parties shall participate in exploration and development of such project through a joint venture.

Michael Fowler

Managing Director

Further Information

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COMPETENT PERSONS STATEMENTS

The information in this report that relates to Exploration Results is based on information compiled by Mr. Michael Fowler who is a full-time employee of the Company and is a member of the Australasian Institute of Mining and Metallurgy. Mr. Fowler has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Fowler consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.