

GENESIS RECEIVES FIRST PAYMENT FOR ULYSSES ORE FROM PADDINGTON GOLD PTY LTD

Regular cash receipts expected every couple of weeks as stockpiled ore is delivered to Paddington for milling

Key points:

- **Ulysses West open pit mining operations on track to be completed by end of December**
 - ~12,000 tonnes of ore now available on run-of-mine (ROM) stockpile
 - ~18,000 tonnes of ore dispatched to date for processing
- **Grade of ore increasing as per the mine plan as mining continues deeper into the Ulysses West pit**
- **Cash inflows now expected to be received every couple of weeks until the end of February 2017**

Genesis Minerals Limited (ASX: GMD) is pleased to advise that it has now received its first cash payment from Paddington Gold Pty Ltd under the toll milling arrangement for ore from its 100%-owned **Ulysses Gold Project** near Leonora in WA.

The initial payment, for the first parcel of ore processed through the Paddington Mill, marks another milestone in the successful execution of Genesis' first toll treatment mining operation. Regular cash receipts are now expected every couple of weeks as stockpiled ore is delivered to Paddington for milling.

Open pit mining at the Ulysses West pit is progressing on schedule with the Company's Mining Alliance partner, SMS Innovative Mining Pty Ltd making continued excellent progress with the mine plan. Mining is on track to be completed prior to Christmas.

Consistent with the mine plan, the grade of ore being mined is progressively increasing as mining activity goes deeper into the pit. Ore is currently being mined from the ~375mRL and a total of ~12,000 tonnes of ore @ 3.5 g/t Au is available on the run-of-mine (ROM) pad for haulage to Paddington.

A total of 18,000 tonnes of ore at 2.6 g/t Au has already been transported by road to the Paddington Mill since haulage commenced on 10 November 2016.

The project is forecast to generate total estimated free cash-flow of ~\$4 to \$6 million from the initial Ulysses West operation depending on the gold price at the time of delivery of batches of ore to Paddington.

Genesis Managing Director Michael Fowler said the receipt of the first cash payment provided further evidence of the Company's ability to successfully conduct an open pit toll-treatment operation.

"Banking our first cheque is obviously a very pleasing milestone, and we now expect a consistent stream of cash inflows every couple of weeks through to the end of February 2017 as deliveries continue to be made to Paddington and as higher grade ore is mined from the Ulysses West pit.

"Our alliance partner SMS, drill and blast contractor Rock on Ground and Genesis personnel have performed extremely well and the operation is progressing swiftly, efficiently and in line with our expectations," he said.

"We are also pressing ahead with drilling targeting the newly defined gold anomaly at Ulysses East and the recently identified extensions at Ulysses West. Both of these areas offer the potential to repeat or expand the successful Ulysses West open pit toll treatment operation – generating further cash-flow to underpin the Company's growth.

"We are also looking forward to receiving assay results from the aircore drilling programs at the Viking Project. These are expected within the next week and should help us to refine drill targets for Reverse Circulation drilling – which is booked to commence in December.

"With cash now coming in the door from our first mining operation and exploration activity gathering momentum, Genesis is moving towards the end of the year in a strong position – and should be very well placed for growth and success in 2017."

ENDS

For further information, visit: www.genesisminerals.com.au or please contact

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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, a shareholder of Genesis Minerals Limited 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.

The Information in this report that relates to Mineral Resources is based on information compiled by Mr Paul Payne, a Competent Person who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Payne is a full-time employee of Payne Geological Services and is a shareholder of Genesis Minerals Limited. Mr Payne has sufficient experience that 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 Payne consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The Information in this report that relates to Ore Reserves is based on information compiled by Mr Gary McCrae, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy. Mr McCrae is a full-time employee of MineComp Pty Ltd. Mr McCrae has sufficient experience that 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 McCrae consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Table 1 Ulysses Ore Reserve Summary – August 2016

Ore Reserve Category	Tonnes	Au g/t	Au Oz
Proved	-	-	-
Probable	74,000	4.1	9,700
Total	74,000	4.1	9,700

Note: Rounding errors may occur

Ulysses Mineral Resource Inclusive of Ore Reserves

Mineral Resource Category	Tonnes (Mt)	Au g/t	Au Oz
Measured	-	-	-
Indicated	1.62	2.4	122,500
Inferred	0.51	1.8	29,000
Total	2.13	2.2	151,500

Appendix 1: Forward Looking and Cautionary Statements

Some statements in this report regarding estimates or future events are forward looking statements. They include indications of, and guidance on, future earnings, cash flow, costs and financial performance. Forward looking statements include, but are not limited to, statements preceded by words such as “planned”, “expected”, “projected”, “estimated”, “may”, “scheduled”, “intends”, “anticipates”, “believes”, “potential”, “could”, “nominal”, “conceptual” and similar expressions. Forward looking statements, opinions and estimates included in this announcement are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Forward looking statements are provided as a general guide only and should not be relied on as a guarantee of future performance. Forward looking statements may be affected by a range of variables that could cause actual results to differ from estimated results, and may cause the Company’s actual performance and financial results in future periods to materially differ from any projections of future performance or results expressed or implied by such forward looking statements. These risks and uncertainties include but are not limited to liabilities inherent in mine development and production, geological, mining and processing technical problems, the inability to obtain any additional mine licenses, permits and other regulatory approvals required in connection with mining and third party processing operations, competition for among other things, capital, acquisition of reserves, undeveloped lands and skilled personnel, incorrect assessments of the value of acquisitions, changes in commodity prices and exchange rate, currency and interest fluctuations, various events which could disrupt operations and/or the transportation of mineral products, including labour stoppages and severe weather conditions, the demand for and availability of transportation services, the ability to secure adequate financing and management’s ability to anticipate and manage the foregoing factors and risks. There can be no assurance that forward looking statements will prove to be correct.

This announcement has been prepared in compliance with the JORC Code (2012) and the current ASX Listing Rules.