

# GENESIS MINERALS LIMITED

## ACN 124 772 041

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### OFFER DOCUMENT

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For a partially underwritten pro rata non-renounceable Rights Issue to Eligible Shareholders on the basis of one (1) New Share for every six (6) existing Shares held by Eligible Shareholders on the Record Date at an issue price of \$0.032 per New Share to raise approximately \$6,046,363 (before costs) (**Offer**).

**The Offer opens on 19 August 2019 and closes at 5:00pm (WST) on 29 August 2019 (unless it is lawfully extended). Valid acceptances must be received before that time.**

The Offer is partially Underwritten by Alkane Resources Limited, please refer to Section 7 for the material terms and conditions of the Underwriting.

Applications for New Shares by Eligible Shareholders can only be made by using or following the instructions on an Entitlement and Acceptance Form, as sent with this Offer Document. The Entitlement and Acceptance Form sets out the Eligible Shareholders' Entitlement to participate in the Offer.

Please read the instructions in this Offer Document and on the accompanying Entitlement and Acceptance Form.

***This document is not a prospectus and does not contain all of the information that an investor may require in order to make an informed investment decision regarding the New Shares offered by this document.***

***The New Shares offered by this Offer Document should be considered as speculative.***

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**TABLE OF CONTENTS**

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1.	IMPORTANT INFORMATION.....	1
2.	CORPORATE DIRECTORY.....	4
3.	LETTER FROM THE CHAIRMAN .....	5
4.	DETAILS OF THE OFFER.....	7
5.	ACTION REQUIRED BY SHAREHOLDERS .....	16
6.	RISK FACTORS .....	19
7.	ADDITIONAL INFORMATION .....	25
8.	DEFINED TERMS.....	28

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## **1. IMPORTANT INFORMATION**

No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Offer Document. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offer.

### **1.1 This document is not a prospectus**

This Offer Document is dated 12 August 2019, has been prepared by Genesis Minerals Limited (ACN 124 772 041) (**Company**) and is for a rights issue of continuously quoted securities (as defined in the Corporations Act) of the Company. This Offer Document is not a prospectus under the Corporations Act and has not been lodged with the ASIC. It does not contain all of the information that an investor would find in a prospectus or which may be required in order to make an informed investment decision regarding, or about the rights attaching to, the Shares offered by this document.

This Offer Document including each of the documents attached to it and which form part of this Offer Document are important and should be read in their entirety prior to making an investment decision. In particular, Shareholders should refer to the risk factors set out in section 6 of this document. If you do not fully understand this Offer Document or are in any doubt as to how to deal with it, you should consult your professional adviser.

### **1.2 Section 708AA of the Corporations Act**

This Offer Document has been prepared in accordance with section 708AA of the Corporations Act and applicable ASIC Regulatory Guide 189: Disclosure relief for rights issues. In general terms, section 708AA permits certain companies to undertake rights issues without being required to use or provide to shareholders a prospectus or other disclosure document. Accordingly, the level of disclosure in this Offer Document is significantly less than the level of disclosure required in, and what you would expect in, a prospectus. Eligible Shareholders should rely on their own knowledge of the Company, refer to disclosures made by the Company to ASX and consult their professional advisers before deciding to accept the Offer.

### **1.3 Eligibility**

Applications for Shares by Eligible Shareholders can only be made on an original Entitlement and Acceptance Form, as sent with this Offer Document. The Entitlement and Acceptance Form sets out an Eligible Shareholder's Entitlement to participate in the Offer.

### **1.4 Overseas Shareholders**

This Offer Document does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Offer Document.

The Offer is not being extended and Shares will not be issued to Shareholders with a registered address which is outside Australia and New Zealand. It is not practicable for the Company to comply with the securities laws of overseas jurisdictions (other than those mentioned above) having regard to the number of overseas Shareholders, the number and value of Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction.

## **New Zealand Shareholders**

The Offer is being made in New Zealand pursuant to the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016 (New Zealand).

Shareholders resident in Australia or New Zealand holding Shares on behalf of persons who are resident overseas are responsible for ensuring that taking up an Entitlement under the Offer does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

### **1.5 Notice to nominees and custodians**

Shareholders resident in Australia or New Zealand holding Shares on behalf of persons who are resident overseas are responsible for ensuring that taking up an Entitlement under the Offer does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

### **1.6 Forward-looking statements**

This Offer Document contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Offer Document, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of our Company, the Directors and our management.

We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Offer Document will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

We have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Offer Document, except where required by law.

These forward looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 6 of this Offer Document.

### **1.7 Privacy Act**

If you complete an Entitlement and Acceptance Form, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and uses that information to assess your application, service your needs as a Shareholder, facilitate distribution payments

and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this Offer Document.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the Entitlement and Acceptance Form, the Company may not be able to accept or process your application.

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## 2. CORPORATE DIRECTORY

### Directors

Mr Tommy McKeith  
*Non-Executive Chairman*

Mr Michael Fowler  
*Managing Director*

Mr Craig Bradshaw  
*Non-Executive Director*

Mr Gerry Kaczmarek  
*Non-Executive Director*

### Company Secretary

Mr Geoff James

### Registered Office

Unit 6, 1 Clive Street  
WEST PERTH WA 6005

Telephone: + 61 8 9322 6178

Email: [info@genesisminerals.com.au](mailto:info@genesisminerals.com.au)  
Website: [www.genesisminerals.com.au](http://www.genesisminerals.com.au)

### ASX Code

GMD

### Share Registry\*

Computershare Investor Services Pty  
Limited  
Level 11, 172 St Georges Terrace,  
PERTH WA 6000

### Auditor\*

Bentleys  
Level 3, 216 St Georges Terrace  
PERTH WA 6000

### Underwriter

Alkane Resources Limited  
89 Burswood Road  
BURSWOOD WA 6100

### Legal Advisers

Steinepreis Paganin  
Level 4, The Read Buildings  
16 Milligan Street  
PERTH WA 6000

\*These parties have been included for information purposes only. They have not been involved in the preparation of this Offer Document.

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### 3. LETTER FROM THE CHAIRMAN

Dear Shareholder

#### **Genesis Minerals Limited – Pro-Rata Non-Renounceable Rights Issue**

On behalf of the Board of Genesis, I am pleased to invite you to participate in a partly underwritten one (1) for six (6) pro-rata non-renounceable Rights Issue of New Shares at an offer price of A\$0.032 per New Share (**Offer Price**) to raise up to approximately \$6.05 million (before costs). The Rights Issue is partly underwritten up to approximately \$4.6 million by Alkane Resources Limited (**Alkane**).

On 2 August 2019, Genesis announced a placement to Alkane (**Initial Placement**) of approximately 44.33 million New Shares in the Company at an issue price of \$0.032 to raise approximately \$1.4 million (before costs). The Initial Placement was conducted within the Company's placement capacity under ASX Listing Rule 7.1 and was settled on 5 August 2019. Alkane's shares received under the Initial Placement will be entitled to participate in the Rights Issue.

Alkane has provided a commitment to the Company to take up its entitlements under the Rights Issue and provide underwriting commitment (subject to certain terms and conditions), which both taken in aggregate amount to approximately \$4.6 million of the approximately \$6.05 million Rights Issue.

If through the Initial Placement and Alkane's participation and underwriting of the Rights Issue, Alkane has not invested A\$6.0 million and Alkane's shareholding remains under 15%, then a second tranche placement (**Conditional Placement**) to Alkane of up to approximately 132.2 million New Shares at an issue price of \$0.032 to raise up to approximately \$4.2 million will be made, subject to shareholder approval for the purposes of Listing Rule 7.1 and for all other purposes at a General Meeting to be held as soon as reasonably practicable after completion of the Rights Issue.

The Conditional Placement will be scaled back to ensure that Alkane's shareholding in the Company does not exceed 15% as a result of the Conditional Placement and Alkane's total investment (through the Initial Placement, Rights Issue and Conditional Placement) will not exceed \$6.0 million.

The Initial Placement, Rights Issue and Conditional Placement are together referred to as the **Capital Raising**.

#### **Capital Raising Rationale and Use of Funds**

The proceeds of the capital raising will strengthen Genesis' balance sheet and allow it to progress a multi-pronged exploration and development strategy at Ulysses including resource in-fill work, resource extension drilling and ongoing Feasibility Study work, while also pursuing other strategic acquisition and growth opportunities in the Leonora region. The Rights Issue will provide all Eligible Shareholders with the opportunity to participate and retain exposure to the Company's portfolio of assets.

#### **Rights Issue**

Under the Rights Issue, Eligible Shareholders are entitled to subscribe for one (1) New Share at the Offer Price for every six (6) Genesis fully paid ordinary shares (**Shares**) held at 5:00pm (Perth time) on the Record Date of 15 August 2019 (**Entitlement**). Up to approximately 188.9 million New shares will be issued under

the Rights Issue. New Shares will rank equally with existing Shares in all respects from date of quotation.

The Offer Price of \$0.032 per New Share represents:

- A 3.0% discount to the closing price of \$0.033 on 1 August 2019
- A 5.0% discount to the 5 trading day VWAP up to and including 1 August 2019
- A 0.5% discount to the 10 trading day VWAP up to and including 1 August 2019

As part of the Rights Issue, Eligible Shareholders, may also apply for additional New Shares in excess of their Rights Issue entitlements at the same issue price of 3.2 cents per New Share (**Top Up Facility**) from any shortfall in the Rights Issue. The Top Up Facility provides an opportunity for Eligible Shareholders to apply for additional New Shares to top up their holdings.

The Rights Issue to which this Offer Document relates closes at 5:00pm (Perth time) on 29 August 2019 (unless extended).

Accompanying this Offer Document is your personalised entitlement and acceptance form. It details your Entitlement and is to be completed in accordance with the instructions provided on the form and the instructions in this Offer Document under "Offer Details & How to Apply". You may also apply for further New Shares under the Top Up Facility using the Entitlement and Acceptance Form.

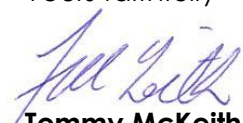
To participate, you must ensure that you have completed your application by paying application monies (**Application Monies**) by BPAY® before 5:00pm (Perth time) on 29 August 2019 or by lodging your completed Entitlement and Acceptance Form with your Application Monies paid by cheque, bank draft or money order, so that they are received by the Genesis Share registry (**Share Registry**) before 5:00pm (Perth time) on 29 August 2019.

If you do not wish to take up any of your Entitlement, you do not have to take any action.

Further details of the Rights Issue, as well as the risks associated with investing in the Rights Issue are set out in this Offer Document which you should read carefully and in its entirety.

On behalf of Genesis, I invite you to consider this investment opportunity and thank you for your continued support.

Yours faithfully



**Tommy McKeith**  
Chairman



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## 4. DETAILS OF THE OFFER

### 4.1 The Offer

The Offer is being made as a non-renounceable pro-rata entitlement offer of one (1) New Share for every six (6) Shares held by Eligible Shareholders registered at the Record Date at an issue price of \$0.032 per Share. Fractional entitlements will be rounded up to the nearest whole number.

Based on the capital structure of the Company as set out in Section 4.6 of this Offer Document, approximately 188,948,857 Shares will be issued pursuant to this Offer to raise approximately \$6,046,363.

As at the date of this Offer Document, the Company has 33,200,000 unlisted Options on issue, 23,400,000 of which may be exercised prior to the Record Date in order to participate in the Offer. Please refer to section 4.6 of this Offer Document for information on the exercise price and expiry date of the Options on issue.

All of the Shares offered under this Offer Document will rank equally with the Shares on issue at the date of this Offer Document.

The Directors may at any time decide to withdraw this Offer Document and the offer of Shares made under this Offer Document in which case the Company will return all Application monies (without interest) within 28 days of giving such notice of withdrawal.

### 4.2 Use of Funds

Completion of the Offer could result in an increase in cash in hand of approximately \$6,046,363 from the Offer (before costs) assuming the Offer is fully subscribed.

The Company intends to apply the funds raised under the Offer as follows:

Items of Expenditure	\$	%
Exploration work on the Ulysses and Barimaia projects, feasibility study work on the Ulysses project and review of strategic acquisition and growth opportunities in the Leonora region.	\$4,401,363	72.8
Working capital <sup>1</sup>	\$1,375,000	22.7
Expenses of the Offer (includes underwriting fee and corporate advisor fee <sup>2</sup> )	\$270,000	4.5
<b>Total</b>	<b>\$6,046,363</b>	<b>100.0</b>

**Note:**

1. Funds allocated to working capital will be used for administration and corporate expenses of the Company over the next 15 months, including Director's remuneration of \$450,285 and other administration and obligatory overheads of \$924,715.
2. Expenses of the Offer include an underwriting fee of \$126,888 (refer to section 4.11 for details) and a corporate advisor fee of \$120,000 payable to Sternship Advisers representing 2% of the maximum amount of \$6,000,000 to be invested by Alkane under the Capital Raising.

The above table is a statement of the Board's current intentions as at the date of this Offer Document. However, Shareholders should note that, as with any budget, the allocation of funds set out in the above table may change depending on a number of factors, including the outcome of operational and development activities, regulatory developments, market and general economic conditions and environmental factors. In light of this, the Board reserves the right to alter the way the funds are applied.

In addition to the funds raised under the Offer, the Company recently raised approximately \$1.4 million from a placement to Alkane (announced on 2 August 2019) which funds will also be used for exploration on the Company's projects as outlined in the table above.

The Company has also announced the potential to undertake a further placement to raise up to a further \$4.2 million to Alkane where Alkane's shareholding after the completion of the Offer remains less than 15%. However, this further placement will only occur where Shareholders approve the issue of these additional funds and Alkane's total investment in the Company has been less than \$6 million. As such, the Company has not included the use of those funds in its use of funds table above at this time.

### 4.3 Indicative Timetable

Company Announces Rights Issue	2 August 2019
Lodgement of Offer Document, Appendix 3B and s708AA Cleansing Notice with ASX (Prior to the commencement of trading)	12 August 2019
Notice sent to security holders	12 August 2019
Ex date	14 August 2019
Record Date for determining Entitlements	15 August 2019
Offer Document sent out to Eligible Shareholders & Company announces this has been completed & Offer Opening Date	19 August 2019
Closing Date	29 August 2019
Shares quoted on a deferred settlement basis	30 August 2019
ASX notified of under subscriptions	2 September 2019
Issue date/Shares entered into Shareholders' security holdings	4 September 2019
Quotation of Shares issued under the Offer	5 September 2019
General Meeting held for Conditional Secondary Placement Shareholder approval	17 September 2019

\*Subject to the ASX Listing Rules, the Directors reserve the right to extend the Closing Date for the Offer at their discretion. Should this occur, the extension will have a consequential effect on the anticipated date of issue for the New Shares.

\*\* These dates are indicative only and are subject to change.

### 4.4 Entitlements and acceptance

Details of how to apply under the Offer are set out in Section 5 of this Offer Document.

The Entitlement of Eligible Shareholders to participate in the Offer will be determined on the Record Date. Your Entitlement is shown on the Entitlement and Acceptance form accompanying this Offer Document.

You can also apply for Additional Shares under the Shortfall Offer in addition to your Entitlement by following the instructions set out in Section 5. The Shortfall Offer is described in Section 5.5 below.

#### 4.5 No rights trading

The rights to New Shares under the Offer are non-renounceable. Accordingly, there will be no trading of rights on the ASX and you may not dispose of your rights to subscribe for New Shares under the Offer to any other party. If you do not take up your Entitlement to New Shares under the Offer by the Closing Date, the Offer to you will lapse.

#### 4.6 Capital structure

The effect of the Offer on the capital structure of the Company, assuming all Entitlements are accepted, is set out below.

Shares	Number
Shares currently on issue	1,133,693,140
New Shares offered pursuant to the Offer <sup>1</sup>	188,948,857
<b>Total Shares on issue after completion of the Offer<sup>1</sup></b>	<b>1,322,641,997</b>

##### Notes:

1. This number may vary due to rounding of Entitlements and may increase as a result of the rounding up of New Shares offered under the Offer.

##### Options

Options currently on issue	No.
Unquoted Options exercisable at \$0.039 and expiring on 13 December 2019	4,800,000
Unquoted Options exercisable at \$0.048 and expiring on 31 July 2020	10,000,000
Unquoted Options exercisable at \$0.049 and expiring on 29 November 2020	2,600,000
Unquoted Options exercisable at \$0.042 and expiring on 13 December 2020	4,800,000
Unquoted Options exercisable at \$0.053 and expiring on 29 November 2021	2,300,000
Unquoted Options exercisable at \$0.045 and expiring on 13 December 2021	6,000,000
Unquoted Options exercisable at \$0.056 and expiring on 29 November 2022	2,700,000
<b>Total</b>	<b>33,200,000</b>

The capital structure on a fully diluted basis as at the date of this Offer Document would be 1,166,893,140 Shares and on completion of the Offer (assuming all

Entitlements are accepted, and no Options are exercised prior to the Record Date) would be 1,322,641,997 Shares.

No Shares or Options on issue are subject to escrow restrictions, either voluntary or ASX imposed.

#### 4.7 Dilution

Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by approximately 14.29% (as compared to their holdings and number of Shares on issue as at the date of this Offer Document).

Examples of how the dilution may impact Shareholders are set out in the table below:

Holder	Holding as at Record date	Approximate % at Record Date <sup>1</sup>	Entitlements under the Offer	Holdings if Offer not taken Up	Approximate % post Offer
Shareholder 1	50,000,000	4.41%	8,333,334	50,000,000	3.78%
Shareholder 2	25,000,000	2.21%	4,166,667	25,000,000	1.89%
Shareholder 3	10,000,000	0.88%	1,666,667	10,000,000	0.76%
Shareholder 4	1,000,000	0.09%	166,667	1,000,000	0.08%
Shareholder 5	100,000	0.01%	16,667	100,000	0.01%

**Notes:**

1. This is based on a share capital of 1,133,693,140 Shares at the date of this Offer Document.

#### 4.8 Directors Interests and Participation

Each Director's relevant interest in the securities of the Company at the date of this Offer Document and their Entitlement is set out in the table below.

Director	Shares	Voting Power (%)	Entitlement	\$
Thomas McKeith <sup>1</sup>	3,000,000	0.26%	500,000	16,000
Michael Fowler <sup>2</sup>	12,167,230	1.0732%	2,027,872	64,892
Craig Bradshaw <sup>3</sup>	-	-	-	-
Gerry Kaczmarek <sup>4</sup>	200,000	0.0176%	33,334	1,067

**Notes:**

1. Held indirectly by Thomas McKeith as trustee for The McKeith Family Trust, also holds 4,800,000 Options in the following classes:
  - (a) 1,800,000 unquoted Options exercisable at \$0.049 each on or before 29 November 2020, which will provide an additional Entitlement should they be exercised prior to the Record Date;
  - (b) 1,500,000 unquoted Options exercisable at \$0.053 each on or before 29 November 2021, vesting in the holder on 29 November 2019; and
  - (c) 1,500,000 unquoted Options exercisable at \$0.056 each on or before 29 November 2022, vesting in the holder on 29 November 2020.
2. Held directly and indirectly by Michael John Fowler and Mrs Fiona Lee Fowler as trustee for the MJ & FLD Fowler Family Account and as trustee for the Canning View Super Fund Account, which also holds 8,400,000 unquoted Options in the following classes:

- (a) 2,400,000 unquoted Options exercisable at \$0.039 each on or before 13 December 2019, which will provide an additional Entitlement should they be exercised prior to the Record Date;
  - (b) 2,400,000 unquoted Options exercisable at \$0.042 each on or before 13 December 2020, which will provide an additional Entitlement should they be exercised prior to the Record Date; and
  - (c) 3,600,000 unquoted Options exercisable at \$0.045 each on or before 13 December 2021, vesting in the holder on 13 December 2019.
3. Craig Bradshaw also holds 2,800,000 unquoted Options in the following classes:
- (a) 800,000 unquoted Options exercisable at \$0.039 each on or before 13 December 2019, which will provide an additional Entitlement should they be exercised prior to the Record Date;
  - (b) 800,000 unquoted Options exercisable at \$0.042 each on or before 13 December 2020, which will provide an additional Entitlement should they be exercised prior to the Record Date; and
  - (c) 1,200,000 unquoted Options exercisable at \$0.045 each on or before 13 December 2021, vesting in the holder on 13 December 2019.
4. Held directly by Gerry Kaczmarek, who also holds 2,800,000 unquoted Options in the following classes:
- (a) 800,000 unquoted Options exercisable at \$0.049 each on or before 29 November 2020, which will provide an additional Entitlement should they be exercised prior to the Record Date;
  - (b) 800,000 unquoted Options exercisable at \$0.053 each on or before 29 November 2021, vesting in the holder on 29 November 2019; and
  - (c) 1,200,000 unquoted Options exercisable at \$0.056 each on or before 29 November 2022, vesting in the holder on 29 November 2020.

#### 4.9 Effect of the Offer on control and voting power in the Company

The Company's substantial holders and their Entitlement prior to the Offer are set out in the table below.

Substantial Holder	Shares	Voting Power (%)	Entitlement	\$
Botsis Holdings Pty Ltd	66,000,000	5.82%	11,000,000	352,000
Alkane Resources Limited	65,984,343	5.82%	10,997,391	351,916
Stefead Investments Pty Ltd <Sweeney Family A/C>	62,176,525	5.48%	10,362,755	331,608
Trevor Hanks	47,900,222	4.23%	7,983,371	255,468

The number of shares held by the Company's substantial shareholders is correct as at the date of this Offer Document based on available information.

The potential effect that the issue of the Shares under the Offer will have on the control of the Company is as follows:

- (a) if all eligible shareholders take up their entitlements under the Offer, the issue of Shares under the Offer will have no effect on the control of the Company and all shareholders will hold the same percentage interest in the Company, subject only to changes resulting from ineligible shareholders being unable to participate in the Offer;

- (b) in the more likely event that there is a shortfall, eligible shareholders who do not subscribe for their full entitlement of Shares under the Offer and ineligible shareholders unable to participate in the Offer will be diluted relative to those shareholders who subscribe for some or all of their entitlement as shown by the table in section 4.7; and
- (c) in respect of any shortfall, Eligible Shareholders will be entitled to top-up their shareholding, by subscribing for additional shares to be issued from the shortfall pool (**Shortfall Offer**). However, Eligible Shareholders should note:
  - (i) Shares under the Shortfall Offer will first be allocated to Alkane under its Underwriting Agreement. The issue of these Shares to Alkane will not increase the interest in Alkane in the Company to more than 19.99%; and
  - (ii) The Company will not issue Shares under the Shortfall Offer to substantial holders where to do so would see their interest increase above their existing percentage holding.

On the basis of the above, the Offer and the Underwriting by Alkane will not see a holder acquire a voting power in the Company greater than 19.99% as a result of the Offer.

#### **4.10 Proforma Balance Sheet**

The unaudited pro-forma balance sheet as at 30 June 2019 is set out in Annexure 1, and has been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position. The pro-forma statement of financial position has been prepared assuming:

- (a) the maximum subscription of approximately \$6,046,363 is raised from the Offer and Capital Raising;
- (b) the minimum subscription of \$4,229,613 the Underwritten Amount is raised under the Offer; and
- (c) for both (a) and (b) above, estimated expenses of the Offer (including underwriting fee) of \$270,000 have been taken into account.

The pro-forma balance sheet has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

#### **4.11 Underwriting**

The Offer is partially underwritten to the value of \$4,229,613 (**Underwritten Amount**) by Alkane (**Underwriter**). The Company has entered into the Underwriting Agreement with Alkane, the material terms and conditions of which are summarised in Section 7.

The Company agrees to pay the Underwriter an underwriting fee of 3% of the Underwritten Amount (being an underwriting fee of \$126,888 excluding GST), with such a fee to be paid on the date of allotment of the New Shares.

The Company undertakes to issue an Appendix 3B and a cleansing notice under section 708AA(2)(f) of the Corporations Act which complies with section 708AA(7) of the Corporations Act and otherwise take such necessary action that the Underwritten Shares are immediately tradeable after their issue.

Customary with these types of arrangements, the Underwriting Agreement includes a number of termination events, which are set out in Section 7.1.

#### **4.12 Corporate Advisor**

The Company has entered into a corporate advisory mandate with Sternship Advisors Pty Ltd (ACN 619 280 910) (**Sternship**) (**Sternship Mandate**) pursuant to which the Company engaged Sternship to provide corporate advisory services to the Company in relation to any corporate transactions involving the Company.

Under the Sternship Mandate, the Company has agreed to pay Sternship a cash payment equivalent to 2% of the maximum amount of \$6,000,000 to be invested by Alkane under the Capital Raising, being \$120,000.

#### **4.13 Market Price of Shares**

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of release of this Offer Document and the respective dates of those sales were:

	(\$)	Date
Highest	0.043	7/08/2019
Lowest	0.020	15/05/2019
Last	0.039	9/08/2019

#### **4.14 Opening and Closing Dates**

The Offer opens on the Opening Date, being 19 August 2019, and closes on the Closing Date, being 5:00pm (WST) on 29 August 2019 (or such other dates as the Directors in their discretion shall determine subject to the ASX Listing Rules). The Company will accept Entitlement and Acceptance Forms until the Closing Date or such other date as the Directors in their absolute discretion shall determine, subject to the ASX Listing Rules.

#### **4.15 Issue and dispatch**

Shares issued pursuant to the Offer will be issued in accordance with the ASX Listing Rules and the indicative timetable set out in Section 4.3 of this Offer Document. Shares issued pursuant to the Shortfall Offer will be issued on a progressive basis.

Pending the issue of the Shares or payment of refunds pursuant to this Offer Document, all Application monies will be held by the Registry in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest by completing and returning the Entitlement and Acceptance Form.

The expected dates for issue of New Shares offered by this Offer Document and dispatch of holding statements is expected to occur on the dates specified in the Timetable set out in Section 4.3 of this Offer Document.

It is the responsibility of Applicants to determine the allocation prior to trading in the New Shares. Applicants who sell New Shares before they receive their holding statements will do so at their own risk.

#### **4.16 ASX listing**

Application for official quotation by ASX of the New Shares offered pursuant to this Offer Document will be made.

The fact that ASX may grant official quotation to the New Shares is not to be taken in any way as an indication of the merits of the Company or the New Shares now offered for subscription.

#### **4.17 CHESS**

The Company is a participant in CHESS, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHESS will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of New Shares allotted to them under this Offer Document. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

#### **4.18 Risk Factors**

An investment in New Shares should be regarded as speculative. In addition to the general risks applicable to all investments in listed securities, there are specific risks associated with an investment in the Company which are non-exhaustive. Please refer to Section 6 of this Offer Document for further details.

#### **4.19 Taxation implications**

The Directors do not consider it appropriate to give Shareholders advice regarding the taxation consequences of subscribing for New Shares under this Offer Document. The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Shareholders.

Shareholders should consult their professional tax adviser in connection with subscribing for New Shares under this Offer Document.

#### **4.20 Continuous disclosure obligations**

The Company is a "disclosing entity" (as defined in section 111AC of the Corporations Act) for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX and, as such, the Company is



subject to regular reporting and disclosure obligations under the Corporations Act and the Listing Rules.

Specifically, the Company is required to notify ASX of information about specific events and matters as they arise for the purposes of the ASX making that information available to the securities markets conducted by the ASX. In particular, the Company has an obligation under the ASX Listing Rules (subject to certain exceptions) to notify the ASX immediately of any information of which it is or becomes aware which a reasonable person would expect to have a material effect on the price of value of its securities.

This Offer Document is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include information that would be included in a disclosure document or which investors ought to have regard to in deciding whether to subscribe for Shares under the Offer. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

All announcements made by the Company are available from its website [www.genesiminerals.com.au](http://www.genesiminerals.com.au) or the ASX [www.asx.com.au](http://www.asx.com.au).

Additionally, the Company is also required to prepare and lodge with ASIC yearly and half-yearly financial statements accompanied by a directors' statement and report, and an audit report or review. These reports are released to ASX and published on the Company's and the ASX websites.

This Offer Document (including the Entitlement & Acceptance Form) and the contracts that arise from acceptance of the Applications are governed by the laws applicable in Western Australia and each Applicant submits to the non-exclusive jurisdiction of the courts of Western Australia.

#### **4.21 Enquiries concerning Offer Document**

Enquiries relating to this Offer Document should be directed to the Company on +61 8 9322 6178.

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## 5. ACTION REQUIRED BY SHAREHOLDERS

### 5.1 How to Accept the Offer

Your acceptance of the Offer must be made on the Entitlement and Acceptance Form accompanying this Offer Document. You may participate in the Offer as follows:

- (a) **if you wish to accept your Entitlement in full:**
  - (i) complete the Entitlement and Acceptance Form, filling in the details in the spaces provided; and
  - (ii) attach your cheque, bank draft or money order or arrange payment by BPAY® for the amount indicated on the Entitlement and Acceptance Form; or
- (b) **if you only wish to accept part of your Entitlement:**
  - (i) fill in the number of New Shares you wish to accept in the space provided on the Entitlement and Acceptance Form; and
  - (ii) attach your cheque, bank draft or money order or arrange payment by BPAY® for the appropriate Application monies (at \$0.032 per New Share); or
- (c) **if you wish to accept your Entitlement in full and apply for Shortfall:**
  - (i) complete the Entitlement and Acceptance Form for your maximum Entitlement, filling in the details in the spaces provided;
  - (ii) insert the number of additional Shares over and above your Entitlement you wish to apply for under the Shortfall Offer; and
  - (iii) attach your cheque, bank draft or money order or arrange payment by BPAY® for the amount of your Entitlement plus the amount you are applying for under the Shortfall Offer; or
- (d) if you do not wish to accept all or part of your Entitlement, you are not obliged to do anything.

Your completed Entitlement and Acceptance Form and payment must reach the Registry no later than 5:00pm (WST) on the Closing Date.

The Offer is non-renounceable. Accordingly, a holder of Shares may not sell or transfer all or part of their Entitlement.

### 5.2 Implications of an acceptance

Returning a completed Entitlement and Acceptance Form or paying any Application monies by BPAY® will be taken to constitute a representation by you that:

- (a) you have received a copy of this Offer Document and the accompanying Entitlement and Acceptance Form, and read them both in their entirety; and

- (b) you acknowledge that once the Entitlement and Acceptance Form is returned, or a BPAY® payment instruction is given in relation to any Application monies, the Application may not be varied or withdrawn except as required by law.

### 5.3 Payment by cheque/bank draft or money order

All cheques must be drawn on an Australian bank or bank draft made payable in Australian currency to "Genesis Minerals Limited" and crossed "Not Negotiable".

Your completed Entitlement and Acceptance Form and cheque must reach the Company's share registry at the address set out on the Entitlement and Acceptance Form by no later than 5:00pm WST on the Closing Date.

### 5.4 Payment by BPAY®

For payment by BPAY®, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- (a) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form; and
- (b) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your application monies.

**It is your responsibility to ensure that your BPAY® payment is received by the share registry by no later than 3:00pm (WST) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment.**

### 5.5 Shortfall Offer

Any Entitlement not taken up pursuant to the Offer will form the Shortfall Offer.

The Shortfall Offer is a separate offer made pursuant to this Offer Document and will remain open for up to three months following the Closing Date. The issue price for each Share to be issued under the Shortfall Offer shall be \$0.032 being the price at which Shares have been offered under the Offer.

If you do not wish to take up any part of your Entitlement you are not required to take any action. That part of your Entitlement not taken up will form part of the Shortfall Offer and will revert to the Underwriter unless it is allocated to other Eligible Shareholders as part of the Shortfall Offer. The Shortfall Offer will only be available where there is a Shortfall between applications received from Eligible Shareholders and the number of Shares proposed to be issued under the Offer and will be subject to the disclosures outlined in Section 4.9 above.

If you wish to apply for additional Shares out of the Shortfall (**Shortfall Shares**) in excess of your Entitlement pursuant to the Shortfall Offer you may do so by completing the relevant part of the Entitlement and Acceptance Form relevant to the Shortfall Offer.

The Company reserves the right to issue an Eligible Shareholder a lesser number of Shortfall Shares than applied for or no Shortfall Shares at all. All decisions regarding the allocation of Shortfall Shares will be made by the Company in consultation with the Underwriting and consistent with the terms of the Underwriting Agreement and will be final and binding on all applicants under the Shortfall Offer; as such there is no guarantee that any Shares applied for will be issued to Eligible Shareholders and the Company will only issue such Shares where the Directors are satisfied, in their discretion, that the issue of the Shares will not increase the applicant's voting power above 20%.

In accordance with the Underwriting Agreement, the Underwriter has agreed to allocate the Shortfall Shares as follows:

- (a) first, to the Underwriter, up to the maximum amount of the underwritten securities (being 132,175,411 New Shares); and
- (b) then, above that amount, in the Company's sole discretion, any further Shortfall Shares may be allocated to other Offer applicants who wish to take up Shortfall Shares, with the Company to ensure that no person or existing Shareholder will, by reason of the allocation of any Shortfall Shares:
  - (i) acquire voting power in the Company of more than 4.99%; or
  - (ii) increase (at all) their voting power in the Company from an amount that was (prior to the allocation of any Shortfall Shares equal to more than 4.99%.

The Company will have no liability to any Applicant who receives less than the number of additional Shares they applied for under the Shortfall Offer. If the Company scales back any applications for Shares under the Shortfall Offer any application monies will be returned (without interest) as soon as practicable.

Completed application forms in relation to the Shortfall Offer and payment in accordance with Sections 5.3 and 5.4, must reach the Company's share registry by no later than 5:00pm (WST) on the Closing Date.

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## **6. RISK FACTORS**

### **6.1 Introduction**

The Shares offered under this Offer Document should be considered speculative because of the nature of the Company's business.

There are numerous risk factors involved with the Company's business. Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, but some are outside the control of the Company and cannot be mitigated. Accordingly, an investment in the Company carries no guarantee with respect to the payment of dividends, return of capital or price at which securities will trade.

The following is a summary of the more material matters to be considered. However, this summary is not exhaustive and potential investors should examine the contents of this Offer Document in its entirety and consult their professional advisors before deciding whether to apply for the New Shares.

### **6.2 Company Specific Risk**

Potential investors should be aware that subscribing for Shares in the Company involves a number of risks. Prospective investors should read this Offer Document in its entirety before deciding whether to apply for Shares under this Offer Document.

These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Shares in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Shares pursuant to this Offer Document.

#### **(a) Exploration**

The mineral tenements of the Company are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings.

There can be no assurance that exploration of these tenements, or any other tenements that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, native title process, changing government regulations and many other factors beyond the control of the Company.

The success of the Company will also depend upon the Company having access to sufficient development capital, being able to maintain title to its tenements and obtaining all required approvals for its activities. In the event that exploration programmes prove to be unsuccessful this could lead to a diminution in the value of the tenements, a reduction in the

cash reserves of the Company and possible relinquishment of the tenements.

The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

(b) **Mine development**

Possible future development of a mining operation at any of the Company's projects is dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services.

If the Company commences production, its operations may be disrupted by a variety of risks and hazards which are beyond its control, including environmental hazards, industrial accidents, technical failures, labour disputes, unusual or unexpected rock formations, flooding and extended interruptions due to inclement or hazardous weather conditions and fires, explosions or accidents. No assurance can be given that the Company will achieve commercial viability through the development or mining of its projects and treatment of ore.

(c) **Resource estimates**

Resource estimates are an expression of judgement based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect the Company's operations.

(d) **Environmental**

The operations and proposed activities of the Company are subject to the laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. Such impact can give rise to substantial costs for environmental rehabilitation, damage, control and losses. The Company will attempt to conduct its activities to the highest standard of environmental obligation, including compliance

with all environmental laws. However, there is always a risk of environmental damage arising from the Company's operations, including through accident, which may give rise to liabilities and costs for the Company, including through the imposition of fines and the potential for operations to be delayed, suspended or shut down. There is also a risk that environmental issues already exist in the areas where the Company is exploring or operating that may give rise to liability for the Company.

(e) **Licences, permits and payment obligations**

The Company's activities are dependent upon the grant, or as the case may be, the maintenance of appropriate licences, claims, concessions, leases, permits and regulatory consents which may be withdrawn or made subject to limitations. The Company cannot guarantee that those mining tenements that are applications will ultimately be granted (in whole or in part). The maintaining of tenements, obtaining renewals, or getting tenements granted, often depends on the Company being successful in obtaining the required statutory approvals for its proposed activities and that the licences, concessions, leases, permits or consents it holds will be renewed as and when required. There is no assurance that such renewals will be given as a matter of course and there is no assurance that new conditions will not be imposed in connection therewith. Pursuant to the licences comprising the Company's projects, the Company will become subject to payment and other obligations. In particular, licence holders are required to expend the funds necessary to meet the minimum work commitments attaching to the tenements. Failure to meet these work commitments may render the licence subject to forfeiture or result in the holders being liable for fees. Further, if any contractual obligations are not complied with when due, in addition to any other remedies that may be available to other parties, this could result in dilution or forfeiture of the Company's interest in its projects.

(f) **No production revenue**

At present, the Company is not generating any revenues from its projects nor has the Company commenced commercial production on any of its properties. There can be no assurance that significant additional losses will not occur in the near future or that the Company will be profitable in the future. The Company's operating expenses and capital expenditures may increase in subsequent years as additional consultants, personnel and equipment associated with advancing exploration, development and commercial production of the Company's projects are added. The amounts and timing of expenditures will depend on the progress of ongoing exploration and development, the results of consultants' analyses and recommendations, the rate at which are beyond the Company's control. The Company expects to continue to incur losses unless and until such time as its projects enter into commercial production and generates sufficient revenues to fund its continuing operations. The development of the Company's projects will require the commitment of substantial resources to conduct the time-consuming exploration and development activities. There can be no assurance that the Company will generate any revenues or achieve profitability. There can be no assurance that the underlying assumed levels of expenses will prove to be accurate.

(g) **Commodity price volatility and exchange rates**

If the Company achieves success leading to mineral production, the revenue it will derive through the sale of gold and other commodities exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for precious and base metals, technological advancements, forward selling activities and other macroeconomic factors.

(h) **Native title and Aboriginal heritage**

It is possible that, in relation to tenements which the Company has an interest in or will in the future acquire such an interest, there may be areas over which legitimate common law native title rights exist. If native title rights do exist, the ability of the Company to gain access to tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations, may be affected. The Directors will closely monitor the potential effect of native title claims involving tenements in which the Company has or may have an interest. The Company notes that there are no registered Aboriginal sites in the boundaries of its tenements, however, on 15 May 2019, the Company was made aware that a new claim had been registered that covered part of the Company's project area at the Ulysses Gold Project. This claim has not yet been determined at the date of this Offer Document.

There is a risk that unregistered Aboriginal sites and objects may exist on the land the subject of its tenements, the existence of which may preclude or limit mining activities in certain areas of its tenements. Further, the disturbance of such sites and objects is likely to be an offence under the applicable legislation, exposing the Company to fines and other penalties.

(i) **Access and third party**

The Company may be required to obtain the consent from the holders of third party interests which overlay areas within its tenements or future tenements granted to the Company, prior to accessing or commencing any exploration or mining activities on the affected areas within its existing tenements or future tenements. The Company's existing tenements are in areas that have been the subject of exploration activities. Given the history of the areas, the Directors believe that third party risk to access the tenements is low. As part of the process of submitting a program of works for any ground disturbing activities, any underlying stake holders will be notified and the Company will work to minimise disturbance in relation to the proposed activities in accordance with applicable law. The Directors however acknowledge that delays may be caused to commencement of exploration programs. The activities contemplated by the Company under all of the tenement work programs are in and around areas historically disturbed by past exploration activities. Given that the exploration activities contemplated by the Company are proximate to or otherwise in areas that have already been actively explored to some extent, the Directors consider the risk of any impediments with respect to underlying stake holders to be low. However, the Company acknowledges that exploration success may result in extended work programs that may require further consents.



(j) **Potential acquisitions**

As part of its business strategy, the Company may make acquisitions of or significant investments in other resource projects. Any such future transactions would be accompanied by the risks commonly encountered in making acquisitions of resource projects.

(k) **Reliance on key personnel**

The Company's future depends, in part, on its ability to attract and retain key personnel. It may not be able to hire and retain such personnel at compensation levels consistent with its existing compensation and salary structure. Its future also depends on the continued contributions of its executive management team and other key management and technical personnel, the loss of whose services may be difficult to replace. In addition, the inability to continue to attract appropriately qualified personnel could have a material adverse effect on the Company's business.

(l) **Joint venture parties, agents and contractors**

The Directors are unable to predict the risk of financial failure or default by a participant in any joint venture to which the Company is or may become a party or the insolvency or managerial failure by any of the contractors used by the Company in any of its activities or the insolvency or other managerial failure by any of the other service providers used by the Company for any activity.

### **6.3 General Risks**

(a) **Additional requirements for capital**

The funds raised under the Offer are considered sufficient to meet the current proposed objectives of the Company. Additional funding may be required in the event future costs exceed the Company's estimates and to effectively implement its business and operations plans in the future, to take advantage of opportunities for acquisitions, joint ventures or other business opportunities, and to meet any unanticipated liabilities or expenses which the Company may incur.

The Company may seek to raise further funds through equity or debt financing, joint ventures or other means. Failure to obtain sufficient financing for the Company's activities and future projects may result in delay and indefinite postponement of its research and development programmes. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing might not be favourable to the Company and might involve substantial dilution to Shareholders.

(b) **General economic conditions**

Economic conditions, both domestic and global, may affect the performance of the Company. Factors such as fluctuations in currencies, commodity prices, inflation, interest rates, supply and demand and industrial disruption may have an impact on operating costs and share market prices. The Company's future possible revenues and Share price can be affected by these factors, all of which are beyond the control of the Company or its Directors.

(c) **Equity market conditions**

Securities listed on the stock market can experience extreme price and volume fluctuations that are often unrelated to the operating performances of such companies. The market price of Shares may fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general.

General factors that may affect the market price of Shares include economic conditions in both Australia and internationally (particularly Australian, US and Chinese economic conditions), investor sentiment, local and international share market conditions, changes in interest rates and the rate of inflation, variations in commodity prices, the global security situation and the possibility of terrorist disturbances, changes to government regulation, policy or legislation, changes which may occur to the taxation of companies as a result of changes in Australian and foreign taxation laws, changes to the system of dividend imputation in Australia, and changes in exchange rates.

(d) **Change in government policy and legislation**

Any material adverse changes in relevant government policies or legislation of Australia may affect the viability and profitability of the Company, and consequent returns to investors. The activities of the Company are subject to various federal, state and local laws governing prospecting, development, production, taxes, labour standards and occupational health and safety, and other matters.

(e) **Litigation**

The Company is exposed to possible litigation risks including native title claims, tenure disputes, environmental claims, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. The Company is not currently engaged in any litigation.

#### **6.4 Investment Speculative**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the securities offered under this Offer Document. Therefore, the securities to be issued pursuant to this Offer Document carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those securities.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for securities pursuant to this Offer Document.

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## 7. ADDITIONAL INFORMATION

### 7.1 Underwriting Agreement

Pursuant to an agreement between the Underwriter and the Company (**Underwriting Agreement**), the Underwriter has agreed to underwrite the Offer up to a maximum of 132,175,411 New Shares, which for the avoidance of doubt, equates to an Underwritten Amount of \$4,229,613 (**Underwritten Securities**).

Pursuant to the Underwriting Agreement, the Company has agreed to pay the Underwriter an underwriting fee of 3% of the total gross amount underwritten by the Underwriter (equating to approximately \$126,888). The Company will also pay the Underwriter its reasonable costs and expenses incidental to the Offer.

The Company will ensure that no person will acquire, through participation in the Offer or the Shortfall Offer, a holding of Shares of, or increase their holding, to an amount in excess of 5% of all the Shares on issue on completion of the Offer.

The Company will ensure that no person will acquire, through participation in the Offer or Shortfall Offer, a holding of Shares or, or increase their holding, to an amount in excess of 19.99% of all the Shares on issue on completion of the Offer.

The obligation of the Underwriter to underwrite the Offer is subject to certain events of termination. The Underwriter may terminate its obligations under the Underwriting Agreement if any one of the following events occur and the event has a material adverse effect on the Offer:

- (a) **(Listing)** The Company ceases to be admitted to the official list of ASX or the Shares are suspended from trading on, or cease to be quoted on, ASX (which, for the avoidance of doubt, does not include any voluntary suspension otherwise implemented with the prior written consent of the Underwriter);
- (b) **(Insolvency)** An Event of Insolvency (as defined in the Underwriting Agreement) occurs in respect of the Company or a subsidiary of the Company or there is an act or omission, or a step that is taken or a circumstance arises, which is likely to result in an Event of Insolvency occurring in respect of the Company or a subsidiary of the Company. For the avoidance of doubt an Event of Insolvency means, in relation to a corporation:
  - (i) a receiver, manager, receiver and manager, trustee, administrator or similar officer is appointed in respect of a person or any material asset of a corporation;
  - (ii) a liquidator or provisional or interim liquidator is appointed in respect of a corporation;
  - (iii) any application (not being an application withdrawn or dismissed within 7 days) is made to a court for an order, or an order is made, or a meeting is convened, or a resolution is passed, for the purpose of:
    - (A) appointing a person referred to in paragraph 7.1(b);
    - (B) winding up the relevant corporation; or

- (C) proposing or implementing a compromise with creditors (including a scheme of arrangement, other than to carry out a reconstruction or amalgamation while solvent);
  - (iv) a final order, judgment or award is made against the corporation which it fails to satisfy within 7 days of being required to do so;
  - (v) the corporation becomes, or admits in writing that it is, is declared to be, or is deemed under any Applicable Law (as defined in the Underwriting Agreement) to be, insolvent or unable to pay its debts; or
  - (vi) anything analogous or having a substantially similar effect occurring in relation to a corporation.
- (c) **(Material adverse change)** There is a material adverse change, or an event occurs which may give rise to a material adverse change, in the business, assets, liabilities, financial position or performance, profits, losses, operations or prospects of the Company, except that no change or effect resulting from any of the following will be deemed, either alone or in combination, to constitute a material adverse change:
  - (i) a change in the price of gold or any other commodity;
  - (ii) general economic, political or financial market conditions (including changes in interest rates, foreign exchange rates, commodity prices and tax rates); and
  - (iii) changes in conditions generally affecting the industry or industries in which the Company operates; or
- (d) **(Warranties)** A representation or warranty made or given by the Company under the Underwriting Agreement is breached in a material respect or is, or proves to be, or has been, or becomes, untrue or incorrect or misleading or deceptive in a material respect;
- (e) **(Material breach)** The Company materially breaches or fails to perform or observe any of its obligations or undertakings under, or any other term or condition of, the Underwriting Agreement;
- (f) **(Compliance with regulatory requirements)** The Company fails to comply with its constitution, the Listing Rules, the Corporations Act, other applicable laws, or an order or binding requirement by or on behalf of ASIC, ASX or any Government Authority;
- (g) **(ASIC)** ASIC:
  - (i) makes an application for an order under Part 9.5 of the Corporations Act in relation to the Offer or the Offer Materials (as defined in the Underwriting Agreement);
  - (ii) commences any investigation or hearing under Part 3 of the Australian Securities and Investments Commission Act 2001 (Cth) in relation to the Offer or the Offer Materials (as defined in the Underwriting Agreement);
  - (iii) holds, or gives notice of intention to hold, a hearing or investigation in relation to the Offer or the Company or any of

the Company's directors or officers (as that term is defined in the Corporations Act); or

- (iv) prosecutes or gives notice of an intention to prosecute or commences proceedings against, or gives notice of an intention to commence proceedings against, the Company or any of its directors, officers, employees or agents in relation to the Offer;
- (h) **(Prescribed Occurrence)** A Prescribed Occurrence (as defined in the Underwriting Agreement) in respect of the Company occurs during the Offer Period, other than:
  - (i) as expressly contemplated by the Underwriting Agreement; or
  - (ii) as permitted with the Underwriter's prior written consent, which consent may not be unreasonably withheld or delayed;
- (i) **(Certificate)** a Certificate which is required to be given by the Company under this Agreement is not given when required or a statement in that Certificate is untrue or misleading or deceptive in a material respect.
- (j) **(Unable to issue New Shares)** The Company is prevented from allotting and issuing the New Shares under the Listing Rules, under the Corporations Act or other applicable laws, by an order of a court of competent jurisdiction or by a Government Authority.

The Underwriting Agreement contains a number of conditions that must be satisfied by the Company before the Underwriter's obligation to underwrite the Offer commences that are considered standard for an agreement of this type, such as:

- (a) **(Offer Materials)** the Company releasing to ASX the Offer Materials in accordance with the Indicative Timetable (subject to any changes that are approved by the Underwriter).
- (b) **(Official quotation)** ASX not having indicated to the Company that it will not grant permission for the official quotation of the New Shares (including, to avoid any doubt, the Underwritten Shares) on or before 10.00am on the Settlement Date, being 20 September 2019.

The Underwriting Agreement also contains a number of indemnities, representations and warranties from the Company to the Underwriter that are considered standard for an agreement of this type.

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## 8. DEFINED TERMS

**\$ or A\$** means an Australian dollar.

**Additional Shares** means those New Shares not issued under the Offer.

**Applicant** refers to a person who submits an Entitlement and Acceptance Form, or submits a payment of subscription monies in respect of the Offer.

**Application** refers to the submission of an Entitlement and Acceptance Form or Shortfall Application Form (as the case may be).

**ASX** means ASX Limited (ACN 008 624 691) or, where the context permits, the Australian Securities Exchange operated by ASX Limited.

**ASX Listing Rules** means the Listing Rules of the ASX.

**Capital Raising** means the Offer and the Placement.

**Closing Date** means the closing date set out in Section 4.3 or such other date as may be determined by the Directors.

**Company** means Genesis Minerals Limited (ACN 124 772 041).

**Conditional Secondary Placement** means the issue of up to 132,175,411 Shares at an issue price of \$0.032 per Share to raise up to \$4,229,613, as announced on ASX on 2 August 2019.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Directors** mean the directors of the Company.

**Eligible Shareholder** means a Shareholder whose details appear on the Company's register of Shareholders as at the Record Date whose registered address is in Australia or New Zealand.

**Entitlement** means the entitlement to subscribe for one (1) New Share for every six (6) Shares held by an Eligible Shareholder on the Record Date.

**Entitlement and Acceptance Form** means the Entitlement and Acceptance Form accompanying this Offer Document.

**Initial Placement** means the the issue of 44,327,199 Shares at an issue price of \$0.032 per Share to raise up to \$1,418,470, as announced on ASX on 2 August 2019.

**New Share** means a new Share proposed to be issued pursuant to this Offer.

**Offer** or **Rights Issue** means the pro rata non-renounceable offer of New Shares at an issue price of \$0.032 each on the basis of one (1)] New Share for every six (6) Shares held on the Record Date subscribed for pursuant to this Offer Document.

**Offer Document** means this Offer Document.

**Opening Date** means the opening date set out in Section 4.3 of this Offer Document.

**Placement** means the Initial Placement and the Conditional Secondary Placement.

**Record Date** means the record date set out in Section 4.3 of this Offer Document.

**Section** means a section of this Offer Document.

**Share** means an ordinary fully paid share in the capital of the Company.

**Shareholder** means a holder of Shares.

**Shortfall** means those Shares under the Offer not applied for by Shareholders under their Entitlement.

**Shortfall Offer** means as defined in Section 5.5 of this Offer Document.

**Underwriter** means Alkane Resources Limited (ACN 000 689 216).

**Underwriting Agreement** means the underwriting agreement dated 1 August 2019 between the Company and the Underwriter, as summarised in section 7.1.

**ANNEXURE 1 – PRO-FORMA BALANCE SHEET**

	UNAUDITED 30 June 2019 (\$)	UNAUDITED PROFORMA 30 June 2019 – MINIMUM SUBSCRIPTION (\$)	UNAUDITED PROFORMA 2019 – MAXIMUM SUBSCRIPTION (\$)
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	2,609,843	6,569,456	8,386,206
Trade and other receivables	36,429	36,429	36,429
Prepayments	27,893	27,893	27,893
<b>TOTAL CURRENT ASSETS</b>	<b>2,674,165</b>	<b>6,633,778</b>	<b>8,450,528</b>
<b>NON-CURRENT ASSETS</b>			
Plant and equipment	6,123	6,123	6,123
<b>TOTAL NON-CURRENT ASSETS</b>	<b>6,123</b>	<b>6,123</b>	<b>6,123</b>
<b>TOTAL ASSETS</b>	<b>2,680,288</b>	<b>6,639,901</b>	<b>8,456,651</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	718,236	718,236	718,236
Provisions	122,752	122,752	122,752
<b>TOTAL CURRENT LIABILITIES</b>	<b>840,988</b>	<b>840,988</b>	<b>840,988</b>
<b>TOTAL LIABILITIES</b>	<b>840,988</b>	<b>840,988</b>	<b>840,988</b>
<b>NET ASSETS</b>	<b>1,839,300</b>	<b>5,798,913</b>	<b>7,615,663</b>
<b>EQUITY</b>			
Issued capital	33,820,100	37,779,713	39,596,463
Reserves	1,659,080	1,659,080	1,659,080
Accumulated losses	(33,639,880)	(33,639,880)	(33,639,880)
<b>TOTAL EQUITY</b>	<b>1,839,300</b>	<b>5,798,913</b>	<b>7,615,663</b>