# GENESIS MINERALS LIMITED

## ANNUAL FINANCIAL REPORT

## A.B.N. 72 124 772 041

## FOR THE YEAR ENDED 30 JUNE 2013

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**GENESIS MINERALS LIMITED**

# CHAIRMAN'S MESSAGE

Dear Fellow Shareholder

I am pleased to present the Annual Report of the Company for the year ended 30 June 2013.

During 2012 Genesis commenced exploration of the Las Opeñas Project in San Juan, Argentina with its first ever drilling program completed at the Project in November 2012. The program at Las Opeñas Project discovered wide zones of near surface gold mineralisation with silver, lead and zinc. We believe the results support Genesis' belief that Las Opeñas has the potential to host a multi-million-ounce gold deposit in a large epithermal system.

In February 2013 Teck Argentina Limited, a subsidiary of Canada's largest diversified mining company Teck Resources Limited, elected to earn-back to 60% of the Project. We believe Teck's decision to earn back into the Las Opeñas Project is extremely positive and validated our belief in the Project and its geological potential. Teck has a track record of exploration and development success at both 100 per cent-owned and joint venture projects in South America. We are delighted that Genesis' shareholders stand to benefit from its involvement at Las Opeñas. Teck have recently commenced exploration at the Project and we look forward to the results from this work over the short term.

Genesis also continued to explore the Poncha Project in San Juan during the year. We completed our second drilling program at Poncha during April 2013 following up on high-grade epithermal gold mineralisation returned in 2012. The wide spaced drilling completed at Poncha from the most recent drilling returned encouraging results. Exploration also continued at our Cerro Verde Project in northern Chile. Our exploration effort at Cerro Verde continues to highlight the potential for significant mineralisation to be discovered at the Project.

The Company continues to operate as efficiently as possible with an excellent core group of employees and contractors. We continue to focus on under explored geological terranes that we consider to be highly prospective and have the potential for significant gold or copper deposits. Las Opeñas is an example of this strategy working for us and the faith that is place in our team by a leading mining and exploration house such as Teck. We also continue to seek highly prospective and transformational advanced copper and gold projects in Chile, Argentina and elsewhere in Latin America.

As a board we are cognisant of the challenging times in the junior mining sector and our strategy to grow the value of the Company is strongly informed by what investors are looking for in a junior and the need to operate as efficiently as possible.

On behalf of the Board I would like to thank you for your continued support and I look forward to keeping you informed of our progress during the forthcoming year.

Richard Hill

**Chairman**

## Genesis Minerals Limited

## Review Of Operations

During the year Genesis Minerals Limited ("Genesis") continued exploration on the Poncha and Las Opeñas Gold Projects in San Juan, Argentina and its Cerro Verde Copper-Gold Project in northern Chile.

Genesis discovered wide zones of gold mineralisation with associated silver, lead and zinc during its first drilling program at its Las Opeñas Project during November 2012.

At Poncha a second drill program was completed during April 2013. Drilling targeted the Southern Epithermal Target following up high-grade gold mineralisation (Genesis *ASX release dated July 30, 2012)* intersected in 2012 and porphyry and epithermal style mineralisation at the Northern Porphyry Target.

In Chile at the Cerro Verde Project Genesis completed further geochemical sampling programs, project wide geological mapping and a ground magnetic survey.


Figure 1. Project locations

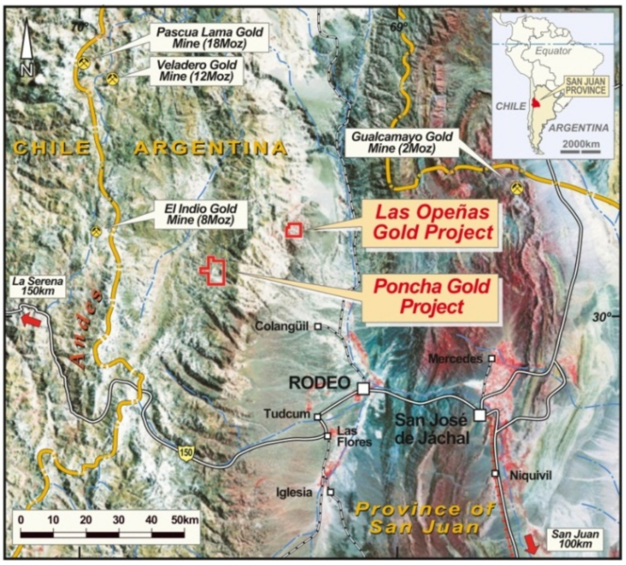



Figure 2. Argentinean Project locations

**Poncha and Las Opeñas Projects, San Juan, Argentina**

Genesis has an agreement with Teck Argentina Ltd. ("Teck"), a wholly owned subsidiary of Teck Resources Limited, to acquire 100% of Teck's right and interest in the Poncha Project subject to an earn-back right or royalty to Teck.

At Las Opeñas Teck elected to exercise their right to earn-back in to a 60% interest in the Las Opeñas Project in February 2013. Teck must now incur expenditures equal to four times Genesis' expenditures multiplied by the percentage interest Teck is earning back (60%), to a maximum of $1.2 million.

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

The Poncha and Las Opeñas Projects are located 200km northwest of the regional capital San Juan and about 40km northwest of the town of Rodeo in the foothills of the Andes, at elevations of between 2,800m and 4,500m above sea level. Infrastructure in the area is good. Access to the Projects is gained via good paved and gravel roads from Rodeo.

**Las Opeñas**

Genesis completed its first drilling program at Las Opeñas in November 2012, intersecting a wide zone of gold mineralisation in drill hole 12 LODH 003, with analytical results including:

- **115m @ 0.58g/t gold, 3.5g/t silver, 0.24% lead and 0.65% zinc from 18m to end of hole**
  - **including 47.1m @ 0.84g/t gold, 3.5g/t silver, 0.21% lead and 0.63% zinc from 80.4m**

Hole 12 LODH 011 located 340m to the northwest of 12 LODH 003 intersected:

- **29.4m @ 0.57g/t gold, 9.9g/t silver, 0.29% lead and 1.1% zinc from 65m**

In addition to the results from holes 12 LODH 003 and 011, very encouraging results from near surface were returned from 10 of the other 12 holes drilled, including:

- 12 LODH 005 - 8.15m @ 0.55 g/t gold, 4.78 g/t silver, 0.32% lead and 0.88% zinc
- 12 LODH 007 - 1.50m @ 4.75 g/t gold, 14.8 g/t silver, 0.3% lead and 0.48% zinc
- 12 LODH 009 - 59.6m @ 0.24 g/t gold, 2g/t silver, 0.1% lead and 0.27 % zinc

Drill results are shown in Table 1.

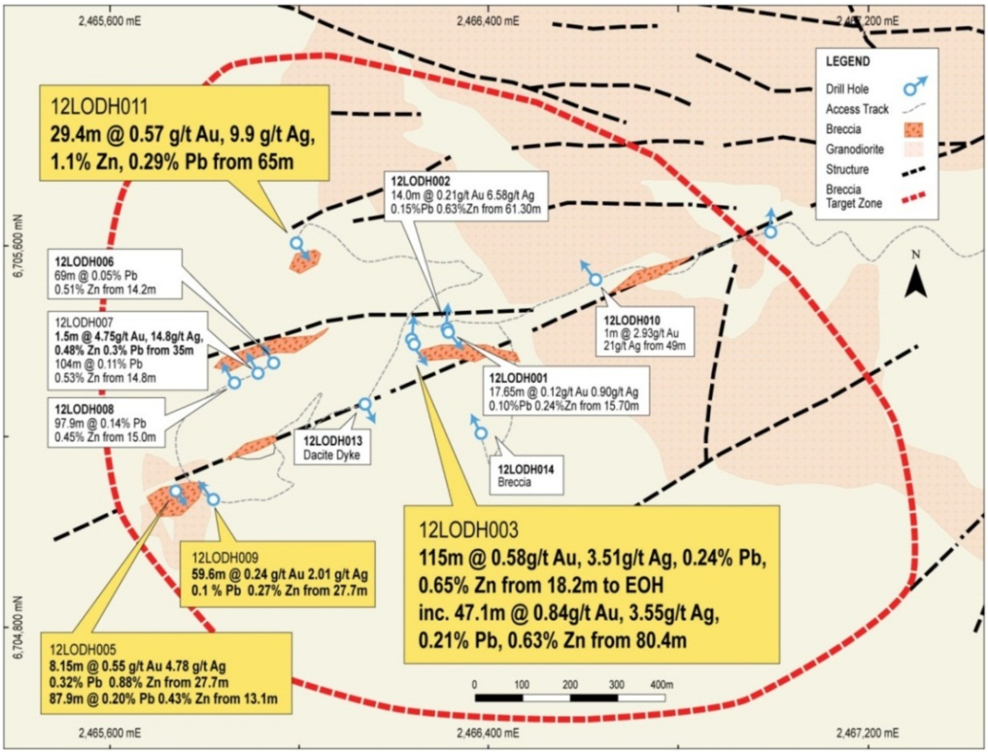
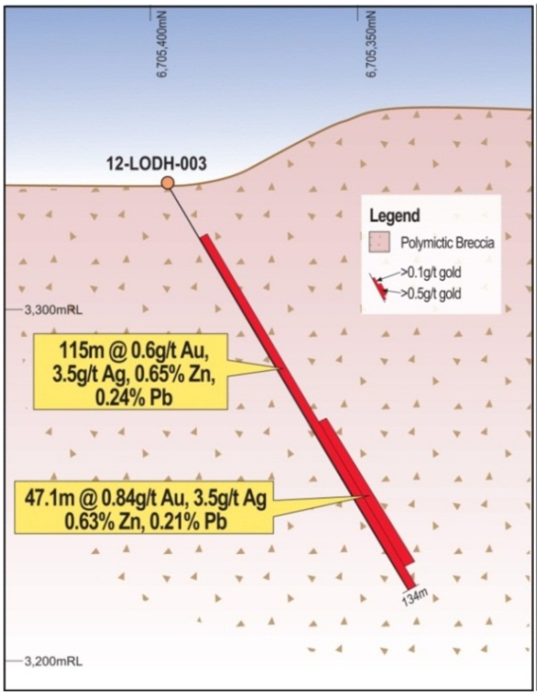



Figure 3. Las Opeñas drill hole locations and results.

Very wide zones of strongly anomalous base metal mineralisation (see Figure 3) were returned from all holes targeting the breccias at Las Opeñas, including:

- 12 LODH 005 - 87.9m @ 0.20% lead and 0.43% zinc
- 12 LODH 007 - 104m @ 0.11% lead and 0.53% zinc
- 12 LODH 008 - 97.9m @ 0.14% lead and 0.45% zinc

Mineralisation intersected in 12 LODH 003 (see Figure 4) is hosted by a weakly to moderately argillic altered, polymictic breccia comprising clasts of dacite, granodiorite and fine-grained sediments. Pyrite, sphalerite and galena occur as disseminations within the clasts and matrix as well as within veinlets cutting both clasts and matrix. The mineralisation is open at depth and along strike and is interpreted to develop in an overall ENE orientation.



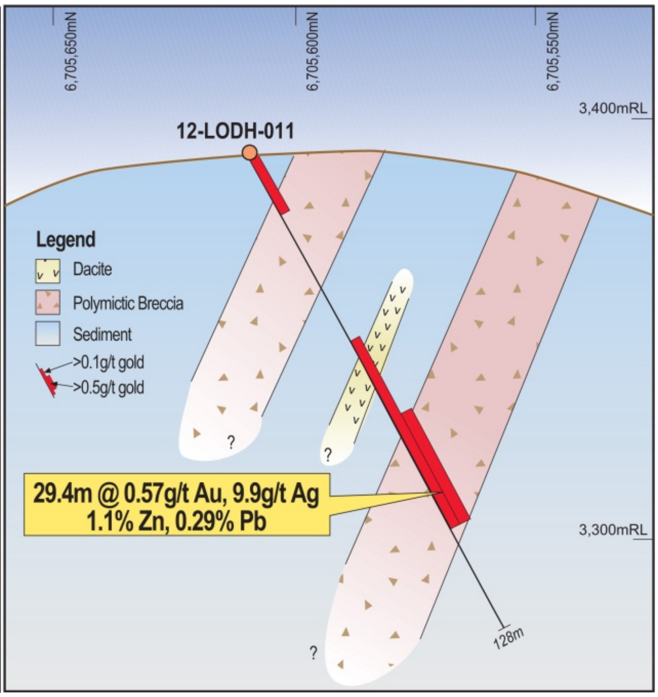




Figure 4. Schematic cross section 12 LODH 003 Figure 5. Schematic cross section 12 LODH 011.

Gold mineralisation in hole 12 LODH 011 (see Figure 5) is hosted within moderately silicified, strongly argillic altered polymictic breccias and fine grained sediments with pyrite, sphalerite and galena mineralisation being strongly disseminated and within later crosscutting veinlets. Only one hole tested this target.

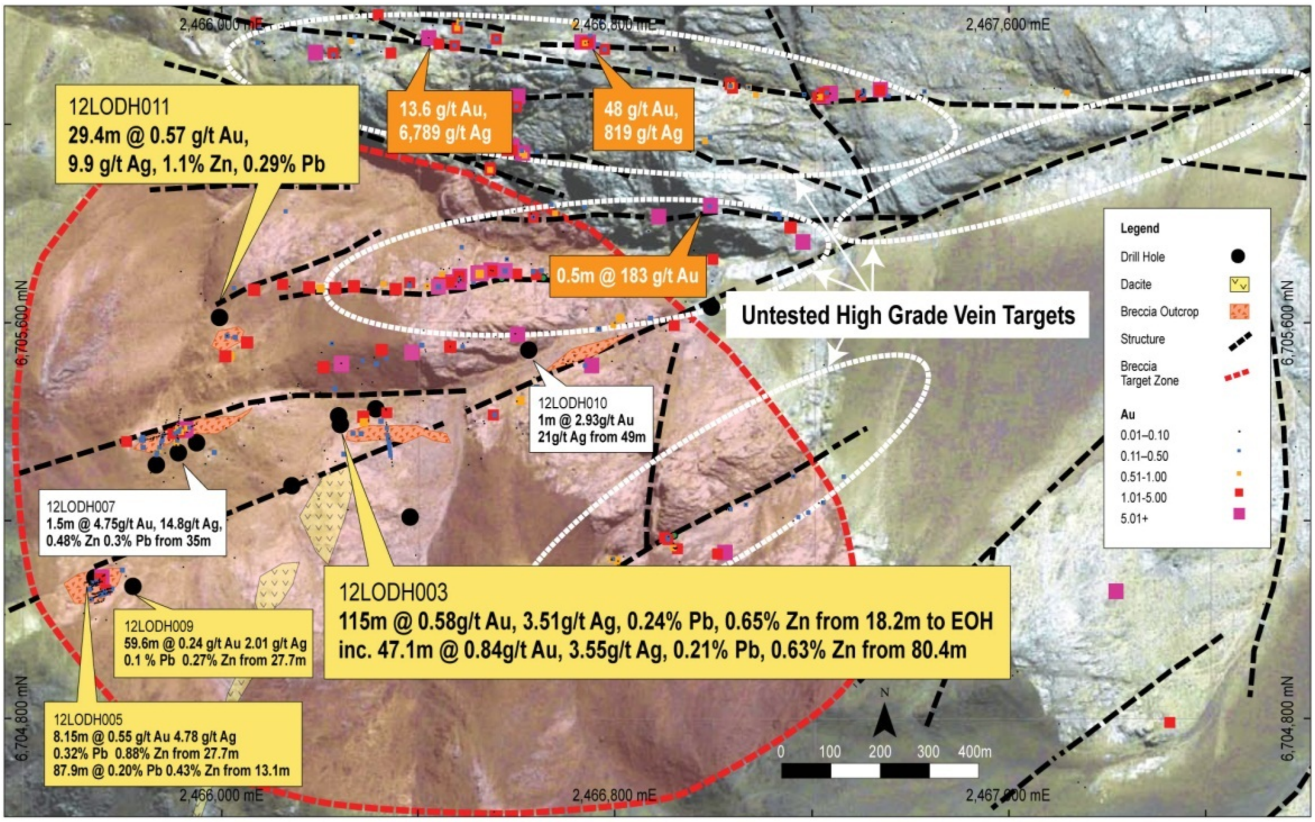



Figure 6. High-grade vein targets and breccia hosted mineralisation

Teck commenced exploration at the Las Opeñas Project during the June 2013 quarter and to date has completed an Induced Polarisation (IP) and Resistivity survey over the areas initially drilled by Genesis, supplemented with a property-wide ground magnetic survey, detailed mapping and geochemical sampling.

Table 1 Significant mineralisation > 0.1g/t gold – 12 LODH 001 to 12 LODH 014

| Hole ID | East Posgar2 | North Posgar2 | mRL | Depth | Az | Dip | From | To | Interval | Au (ppm) | Ag (ppm) | Zn (%) | Pb (%) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 12-LODH-001 | 2,466,310 | 6,705,426 | 3,321 | 100 | 150 | -60 | 15.7 | 33.35 | 17.65 | 0.12 | 0.9 | 0.24 | 0.1 |
| 12-LODH-002 | 2,466,310 | 6,705,425 | 3,319 | 101 | 0 | -60 | 61.3 | 75.3 | 14 | 0.27 | 6.6 | 0.63 | 0.15 |
| 12-LODH-003 | 2,466,239 | 6,705,395 | 3,335 | 134 | 150 | -60 | **18.2** | **134** | **115.8** | **0.58** | **3.5** | **0.65** | **0.24** |
| | | | | | | inc. | **80.4** | **127.5** | **47.1** | **0.84** | **3.6** | **0.63** | **0.21** |
| 12-LODH-005 | 2,465,740 | 6,705,083 | 3,440 | 113 | 150 | -60 | 13.1 | 101 | 87.9 | | | 0.43 | 0.20 |
| | | | | | | inc. | **27.7** | **35.85** | **8.15** | **0.55** | **4.8** | **0.88** | **0.32** |
| 12-LODH-006 | 2,465,946 | 6,705,357 | 3,482 | 109 | 330 | -60 | 15.7 | 85.1 | 69.4 | | | 0.51 | 0.05 |
| 12-LODH-007 | 2,465,910 | 6,705,337 | 3,456 | 119 | 330 | -60 | 14.8 | 119 | 104.2 | 0.1 | 1.7 | 0.53 | 0.11 |
| | | | | | | inc. | **35** | **36.5** | **1.5** | **4.75** | **14.8** | **0.48** | **0.3** |
| 12-LODH-008 | 2,465,863 | 6,705,313 | 3,455 | 113 | 330 | -60 | 15.05 | 113 | 97.95 | | 1.8 | 0.45 | 0.14 |
| 12-LODH-009 | 2,465,817 | 6,705,066 | 3,433 | 101 | 330 | -60 | 16.4 | 76 | 59.6 | 0.24 | 2.01 | 0.27 | 0.07 |
| 12-LODH-010 | 2,466,622 | 6,705,545 | 3,273 | 100 | 330 | -60 | 49 | 50 | 1 | 2.93 | 21 | 0.13 | |
| 12-LODH-011 | 2,465,992 | 6,705,612 | 3,391 | 128 | 150 | -60 | **65** | **100.4** | **29.4** | **0.57** | **9.9** | **1.1** | **0.29** |
| 12-LODH-013 | 2,466,141 | 6,705,269 | 3,352 | 90 | 150 | -60 | 2.80 | 90.0 | 87.20 | | | 0.20 | |
| 12-LODH-014 | 2,466,381 | 6,705,205 | 3,353 | 106.25 | 330 | -80 | 53.20 | 80.0 | 26.80 | | 2.2 | 0.19 | |

- Final assay results from ½ HQ diamond core
- Analysis completed by ALS., Mendoza
- All samples were analysed for gold and silver by fire assay, and copper, lead, and zinc by ICP
- Reference standards, duplicate and blank samples were routinely submitted and were within acceptable limits based on current data.
- Drill hole collar positions surveyed by GPS (+-3m) and down hole surveys by a down hole Reflex EZ Track instrument.

**Poncha**

An eight-hole, 1,800m diamond drilling program was completed during April 2013. Drilling targeted the Southern Epithermal Target following up high-grade gold mineralisation (Genesis *ASX release dated July 30, 2012)* intersected in 2012 (Figure 8) and porphyry and epithermal style mineralisation at the Northern Porphyry Target (Figure 7). Drill results are shown in Table 2.

Genesis is reviewing the significance of the results from the two drilling programs completed by Genesis prior to making a decision on further exploration at Poncha.

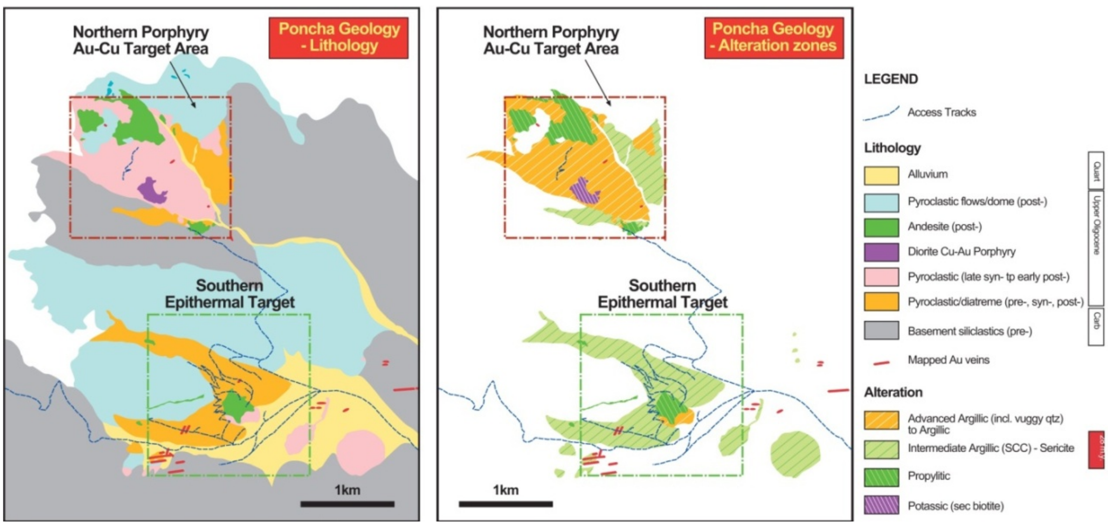



Figure 7. Prospect location plan.

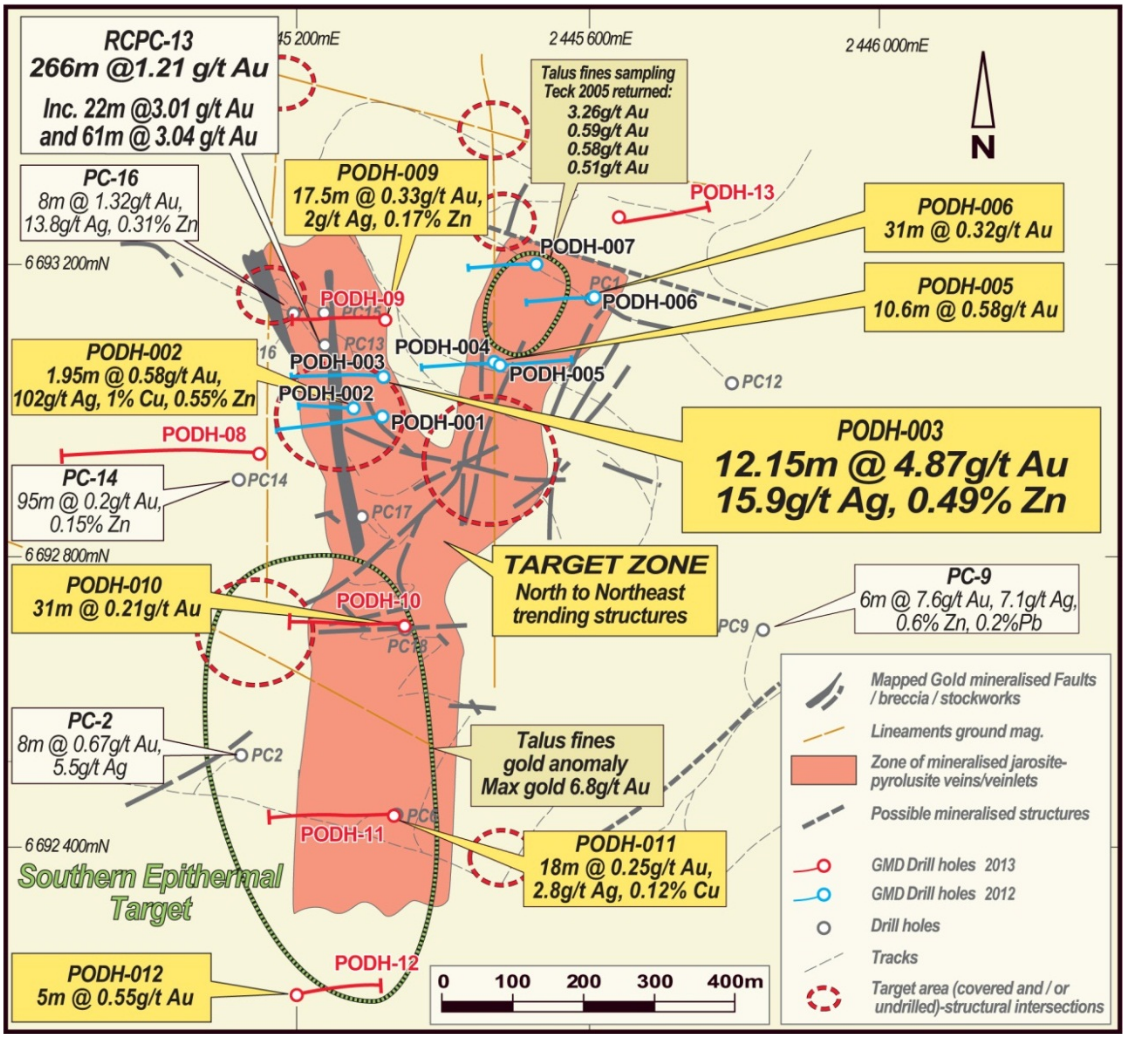



Figure 8. Southern Epithermal Target Drill Hole Locations and Results.

Six of the eight holes completed (Figure 8) were drilled at very wide spacings over one kilometre of strike at the Southern Epithermal Target targeting the extensions of mineralisation intersected in 12PODH003, along with a number of gold geochemical surface anomalies and concealed structural targets.

Encouraging results (see Table 2) were returned from the wide spaced drilling including:

- 13PODH009 17.5m @ 0.33g/t gold, 2.0g/t silver and 0.17% zinc from 141.5m
  - including 1m @ 1.44g/t gold, 10.1 g/t silver and 0.45% zinc from 147m; and
  - including 1m @ 1.63g/t gold, 5.9 g/t silver and 1.03% zinc from 157m
- 13PODH010 31m @ 0.21g/t gold from 211m
  - including 5m @ 0.54g/t gold from 211m
- 13PODH011 18m @ 0.25g/t gold, 2.8g/t silver and 0.12% copper
- 13PODH012 5m @ 0.55g/t gold and 1.9g/t silver; and

  8m @ 0.22g/t gold

Mineralisation intersected in holes 13PODH009 to 13PODH012, along the interpreted north-south trending structural zone, was generally associated with moderate to intensely argillic altered, pyritic pyroclastic lapillistone to breccia units. Sulphide mineralisation ranging up to 10% is both disseminated and within veinlets.

Two holes (13PODH014 and 015) were targeted at the large alteration system coincident with a strong, induced polarisation chargeability anomaly at the Northern Porphyry target at Poncha.

Results returned from the wide spaced drilling at the Northern Porphyry Target include:

- 13PODH014 1.5m @ 0.03g/t gold and 19.8g/t silver
- 13PODH015 87m @ 0.11g/t gold from 63.5m

Mineralisation intersected in 13PODH014 was associated with a narrow vuggy quartz vein within a weakly altered andesite. Hole 13PODH015 intersected a dacitic lapilli unit which contained strong zones of sulphidic veinlets and stock works in parts on the margin of the porphyry intrusion. Quartz sulphide and magnetite veinlets increased towards the bottom of the hole.

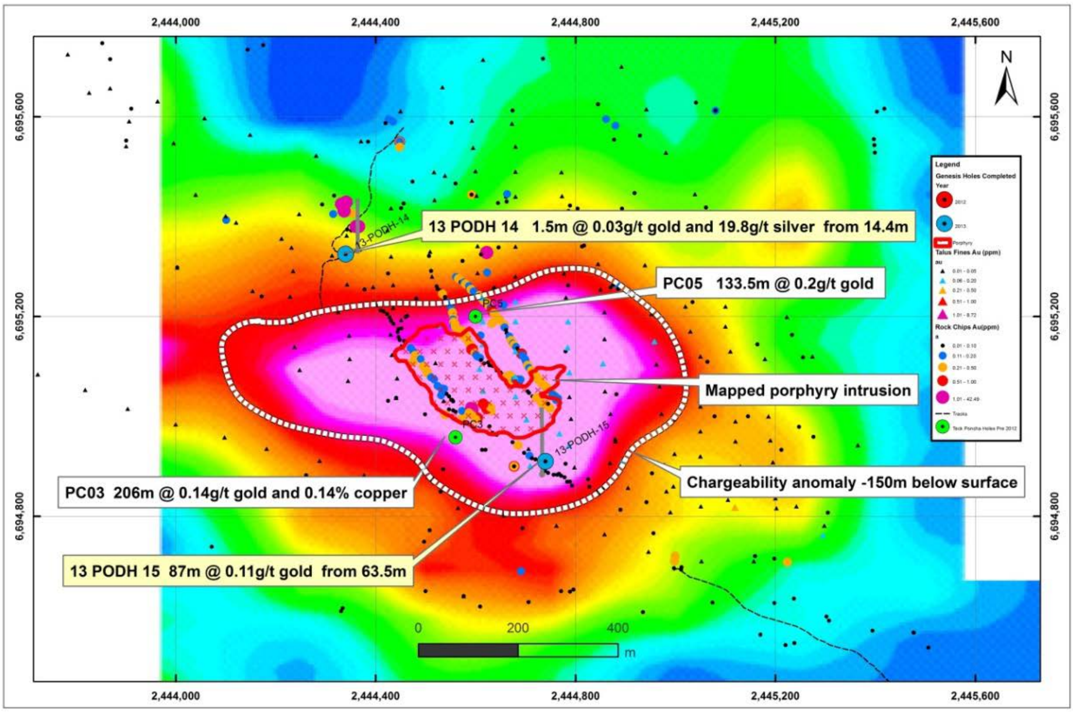



Figure 9. Northern Porphyry Target drill hole locations and results.

Table 2 Results from Poncha Drilling 13 PODH 08 to 15

| HoleID | East | North | mRL | Depth | Az | Dip | From | To | Interval | Au | Ag | Cu | Pb | Zn |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Posgar2 | Posgar2 | | | | | | | | g/t | g/t | % | (%) | (%) |
| 13PODH008 | 2,445,151 | 6,692,942 | 4,357 | 422.1 | 270 | -50 | 2 | 8 | 6 | 0.24 | 0.4 | | 0.04 | 0.24 |
| | | | | | | | 0 | 54 | 54 | | | | | 0.18 |
| | | | | | | | 338 | 340 | 2 | 0.56 | | | | |
| 13PODH009 | 2,445,323 | 6,693,120 | 4,239 | 200.15 | 270 | -60 | 126 | 128 | 2 | 0.67 | | | | 0.19 |
| | | | | | | | 141.5 | 159 | 17.5 | 0.33 | 2.0 | | | 0.17 |
| | | | | | | *inc.* | *147* | *148* | *1* | *1.44* | *10.1* | *0.11* | *0.20* | *0.45* |
| | | | | | | *inc.* | *157* | *158* | *1* | *1.63* | *5.9* | *0.11* | *0.10* | *1.03* |
| 13PODH010 | 2,445,352 | 6,692,707 | 4,274 | 250 | 270 | -50 | 211 | 242 | 31 | 0.21 | | | | |
| | | | | | | | 211 | 216 | 5 | 0.54 | | | | |
| 13PODH011 | 2,445,333 | 6,692,451 | 4,211 | 261.5 | 270 | -50 | 201 | 219 | 18 | 0.25 | 2.8 | 0.12 | | |
| 13PODH012 | 2,445,198 | 6,692,210 | 4,232 | 179 | 90 | -50 | 136.5 | 141.5 | 5 | 0.55 | 1.9 | | | |
| | | | | | | | 163.5 | 171.5 | 8 | 0.22 | | | | |
| 13PODH013 | 2,445,644 | 6,693,254 | 4,162 | 188 | 90 | -50 | 15.5 | 41 | 25.5 | | | | | 0.13 |
| 13PODH014 | 2,444,364 | 6,695,332 | 4,576 | 81.4 | 0 | -50 | 14.4 | 15.9 | 1.5 | | 19.8 | | | |
| 13PODH015 | 2,444,733 | 6,694,884 | 4,448 | 203 | 0 | -50 | 63.5 | 150.5 | 87.5 | 0.12 | | | | |
| | | | | | | *inc.* | *63.5* | *74* | *10.5* | *0.26* | | | | *0.17* |
| | | | | | | *inc.* | *82* | *88* | *6* | *0.23* | | | | *0.28* |

### Cerro Verde and Dinamarquesa Projects, Chile

### Cerro Verde

Genesis entered into an agreement in August 2010 with a private Chilean company to acquire a 100% interest in the Cerro Verde Gold-Copper-Silver Project in northern Chile (Figure 10). Mining in the area dates back to the 1800s but only limited modern exploration has been completed at the Project. Numerous high grade structures remain untested and the potential to discover new veins is considered high; as is the potential to define a large porphyry system on the Project.

The Project is located in the Atacama Desert in an area serviced by very good infrastructure about 800 km north of Santiago, 80 km south of the city of Copiapó and 75km east of the Pacific Ocean. The Project is easily accessed by a sealed road and well-formed gravel roads from Copiapó. The altitude ranges from 1,800 to 2,200m, with low to moderate relief. Exploration can be conducted all year round.

The Project hosts a sub-parallel swarm of precious and base metal-bearing quartz specularite veins exposed along the western flank of a caldera system that is elongated north-south. The host rocks comprise a sequence of Palaeocene andesitic volcaniclastics, dacite and rhyolite flows, flow-domes, diatreme-like breccias, and dikes capped by a blanket of rhyolitic ignimbrites. Ore-bearing veins cut the entire stratigraphic column. Mineralised veins and structures strike north to north east with moderate to steep dips to the east and west.

Exploration at Cerro Verde during the second half of 2012 delineated a new corridor of prospective veins, structures and stockwork zones to the east of the previously known mineralised zones and historic workings. This 4km long by 1km wide corridor defined by rock chip sampling and first pass mapping, is open to the north and south.

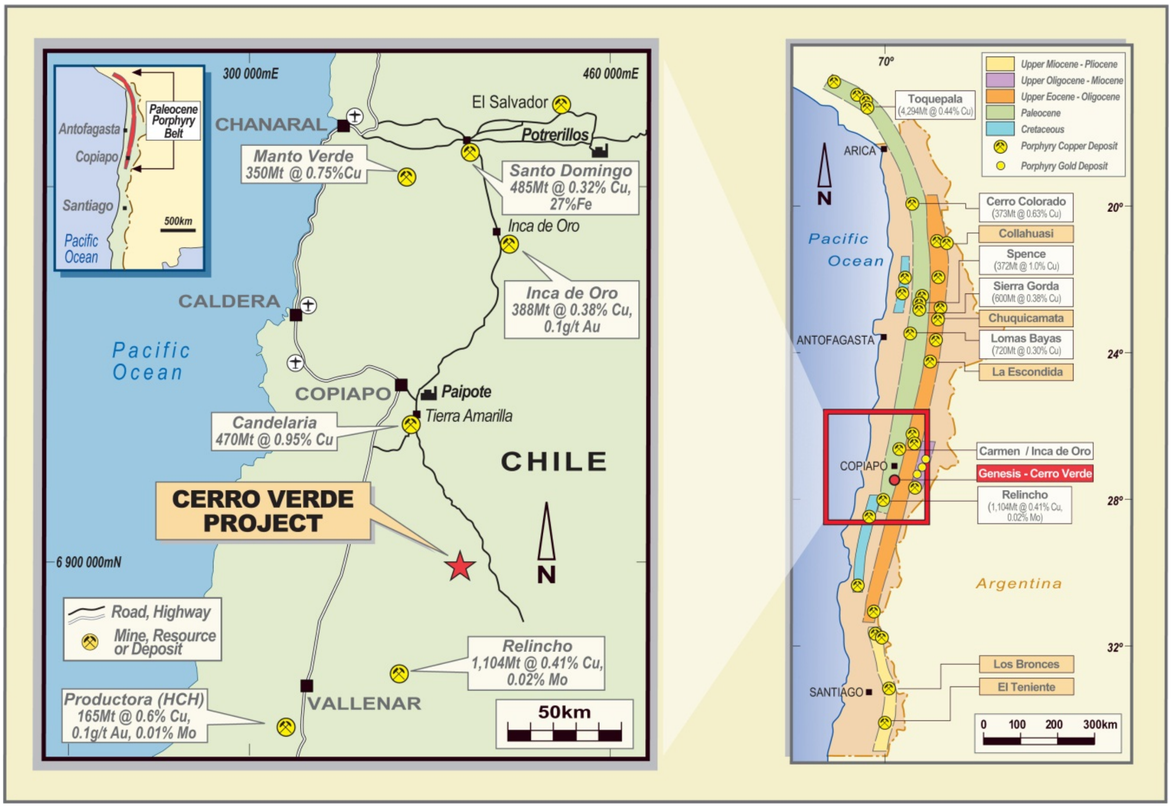



Figure 10. Cerro Verde Location Map.

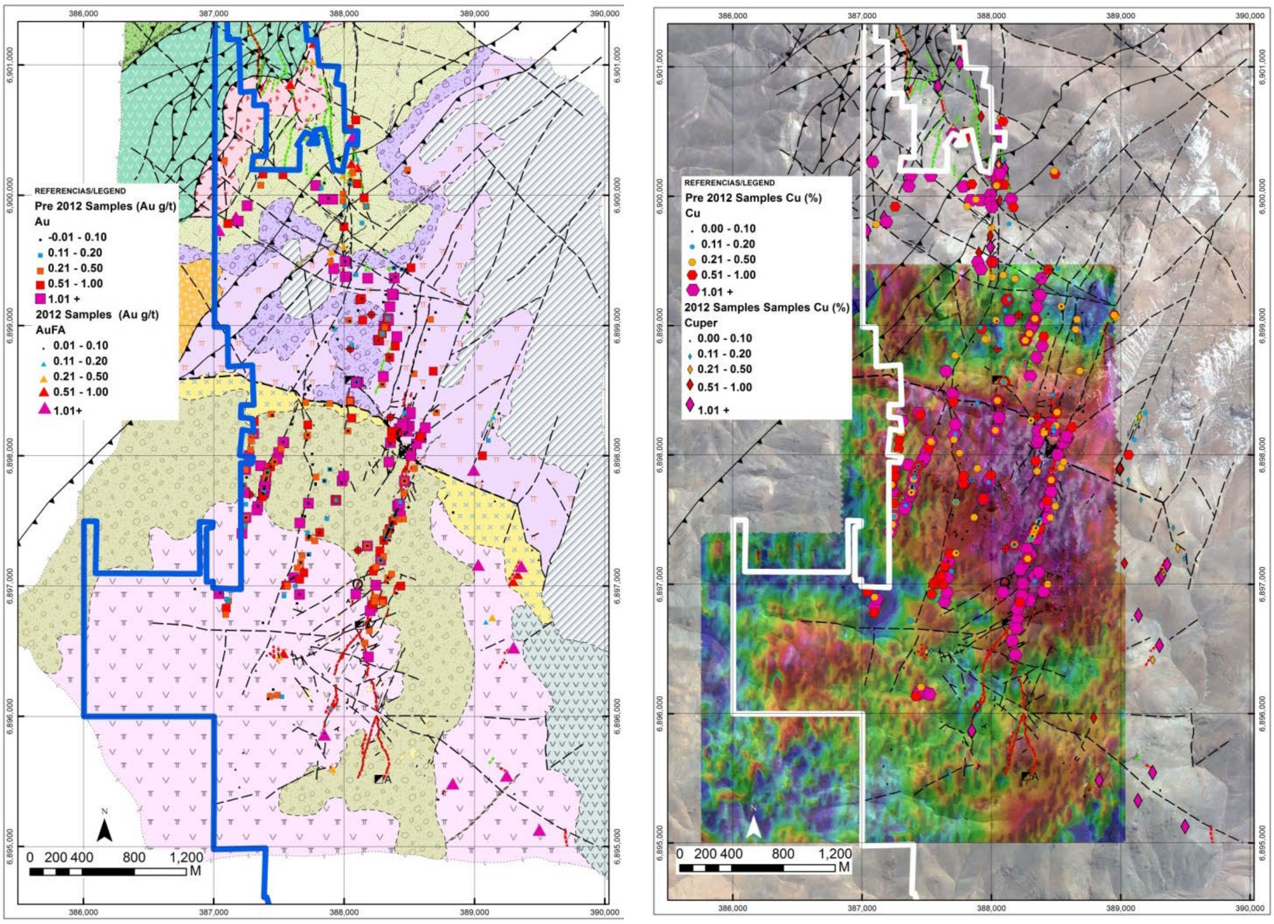



Figure 11. Cerro Verde geological mapping and sampling

During March and April 2013 a total of 450 talus fines samples were collected at 200 x 50m spacings over the mineralised corridor defined in 2012.

During April 2013 a ground magnetic survey at 50m line spacings was completed over the south west corner of the project to map lithology, structure, alteration and to outline zones prospective for copper-gold mineralisation.

A series of north northeast trending lineaments were outlined along with magnetic highs in the central and southern portions of the survey grid. A magnetic high over 1km in diameter is partly coincident with a plus one kilometre long, north north-east trending copper anomaly defined from talus fines sampling (Figure 12).

The possible presence of intrusions at depth suggests that larger mineralised bodies may be present. First pass induced polarisation surveying is recommended to test for a potential large sulphide system.

Third parties interested in the project have approached Genesis and are currently in the process of reviewing data and completing site visits.

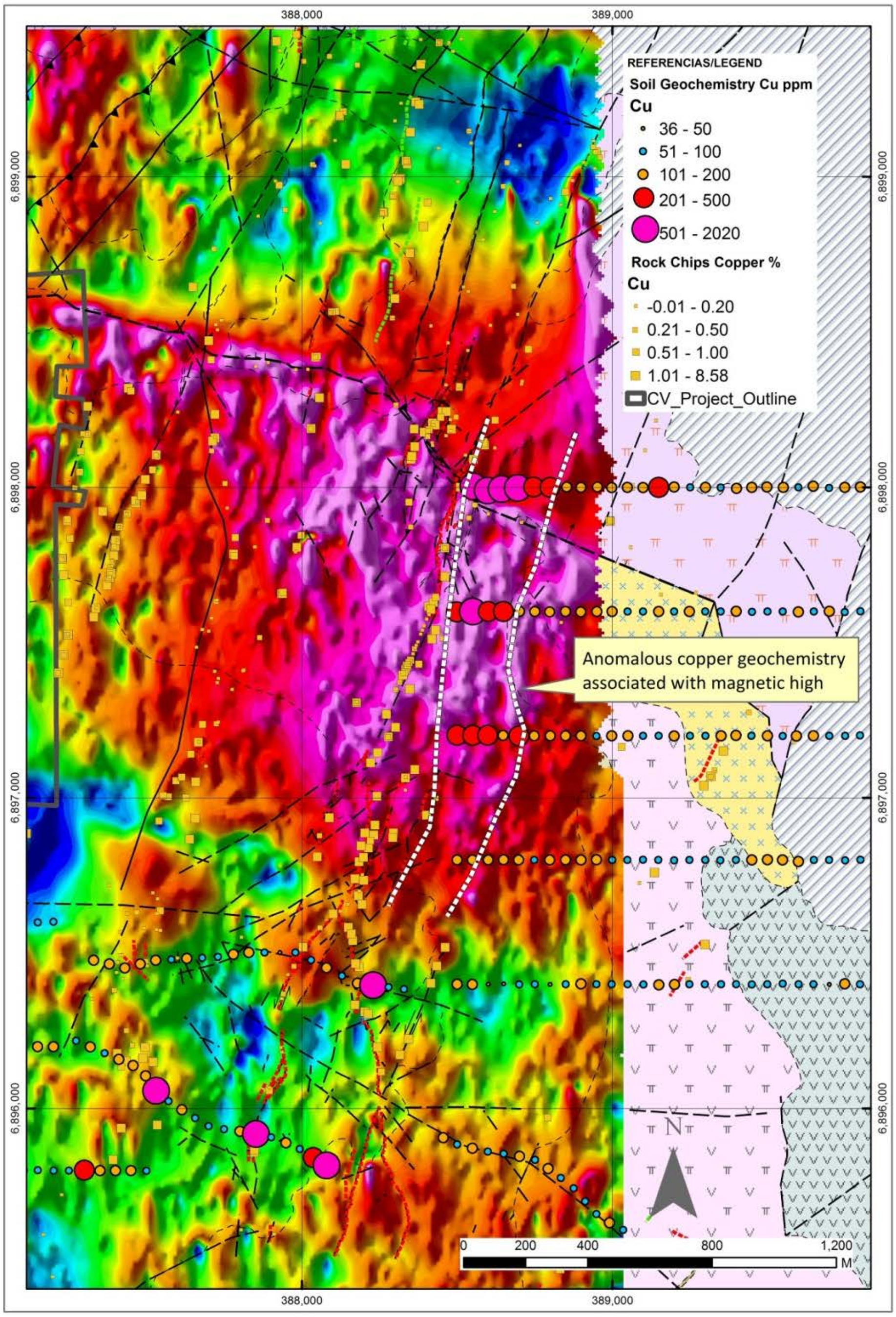



Figure 12. Cerro Verde coincident magnetic and geochemical anomaly.

## Dinamarquesa

Genesis withdrew from the option agreement over the Dinamarquesa Project in September 2012.

*The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Michael Fowler, Genesis Minerals Limited's Managing Director, who is a Member of The Australasian Institute of Mining and Metallurgy. Michael Fowler has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 JORC Code. Michael Fowler consents to the inclusion in the announcement of the matters based on his information in the form and context in which it appears.*

## CORPORATE GOVERNANCE STATEMENT

***The Board of Directors***

The company's constitution provides that the number of directors shall not be less than three and not more than nine. There is no requirement for any shareholding qualification.

As and if the company's activities increase in size, nature and scope the size of the Board will be reviewed periodically, and as circumstances demand. The optimum number of directors required to supervise adequately the company's constitution will be determined within the limitations imposed by the constitution.

The membership of the Board, its activities and composition, is subject to periodic review. The criteria for determining the identification and appointment of a suitable candidate for the Board shall include quality of the individual, background of experience and achievement, compatibility with other Board members, credibility within the company's scope of activities, intellectual ability to contribute to Board's duties and physical ability to undertake Board's duties and responsibilities.

Directors are initially appointed by the full Board subject to election by shareholders at the next general meeting. Under the company's constitution the tenure of a director (other than managing director, and only one managing director where the position is jointly held) is subject to reappointment by shareholders not later than the third anniversary following his or her last appointment. Subject to the requirements of the *Corporations Act 2001*, the Board does not subscribe to the principle of retirement age and there is no maximum period of service as a director. A managing director may be appointed for any period and on any terms the directors think fit and, subject to the terms of any agreement entered into, may revoke any appointment.

The Board considers that the company is not currently of a size, nor are its affairs of such complexity to justify the formation of separate or special committees (other than an Audit Committee) at this time. The Board as a whole is able to address the governance aspects of the full scope of the company's activities and to ensure that it adheres to appropriate ethical standards.

***Role of the Board***

The Board's primary role is the protection and enhancement of long-term shareholder value.

To fulfil this role, the Board is responsible for oversight of management and the overall corporate governance of the company including its strategic direction, establishing goals for management and monitoring the achievement of these goals.

***Appointments to Other Boards***

Directors are required to take into consideration any potential conflicts of interest when accepting appointments to other boards.

***Independent Professional Advice***

The Board has determined that individual directors have the right in connection with their duties and responsibilities as directors, to seek independent professional advice at the company's expense. With the exception of expenses for legal advice in relation to director's rights and duties, the engagement of an outside adviser is subject to prior approval of the Chairman and this will not be withheld unreasonably.

***Continuous Review of Corporate Governance***

Directors consider, on an ongoing basis, how management information is presented to them and whether such information is sufficient to enable them to discharge their duties as directors of the company. Such information must be sufficient to enable the directors to determine appropriate operating and financial strategies from time to time in light of changing circumstances and economic conditions. The directors recognise that mining exploration is an inherently risky business and that operational strategies adopted should, notwithstanding, be directed towards improving or maintaining the net worth of the company.

***ASX Principles of Good Corporate Governance***

The Board has reviewed its current practices in light of the revised ASX Corporate Governance Principles and Recommendations with a view to making amendments where applicable after considering the company's size and the resources it has available.

As the company's activities develop in size, nature and scope, the size of the Board and the implementation of any additional formal corporate governance committees will be given further consideration.

The Board has adopted the revised Recommendations and the following table sets out the company's present position in relation to each of the revised Principles.

| | ASX Principle | Status | Reference/comment |
|---|---|---|---|
| **Principle 1:** | **Lay solid foundations for management and oversight** | | |
| 1.1 | Companies should establish the functions reserved to the board and those delegated to senior executives and disclose those functions | **A** | Matters reserved for the Board are included on the Company website in the Corporate Governance Section. |
| 1.2 | Companies should disclose the process for evaluating the performance of senior executives | **A** | The remuneration of management and employees is reviewed by the Managing Director and approved by the Board.<br>Acting in its ordinary capacity the Board from time to time carries out the process of considering and determining performance issues. |
| 1.3 | Companies should provide the information indicated in the Guide to reporting on Principle 1 | **A (in part)** | Matters reserved for the Board can be viewed on the Company website. |
| **Principle 2:** | **Structure the board to add value** | | |
| 2.1 | A majority of the board should be independent directors | **A** | Given the Group's background, the nature and size of its business and the current stage of its development, the board comprises three directors, two of whom are non-executive. The board believes that this is both appropriate and acceptable at this stage of the Group's development. |
| 2.2 | The chair should be an independent director | **A** | |
| 2.3 | The roles of chair and chief executive officer should not be exercised by the same individual | **A** | The position of Chairman and Managing Director are held by separate persons. |
| 2.4 | The board should establish a nomination committee | **A** | The full Board is the Nomination Committee. Acting in its ordinary capacity from time to time as required, the Board carries out the process of determining the need for screening and appointing new Directors. In view of the size and resources available to the Group it is not considered that a separate Nomination Committee would add any substance to this process. |
| 2.5 | Companies should disclose the process for evaluating the performance of the board, its committees and individual directors | **N/A** | Given the size and nature of the Group a formal process for performance evaluation has not been developed. |
| 2.6 | Companies should provide the information indicated in the Guide to reporting on Principle 2 | **A (in part)** | The skills and experience of the Directors are set out in the Group's Annual Report and on the website. |
| **Principle 3:** | **Promote ethical and responsible decision-making** | | |
| 3.1 | Companies should establish a code of conduct and disclose the code | **A** | The Group has established a Code of Conduct which can be viewed on its website. |
| 3.2 | Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the Board to establish measurable objectives for achieving gender diversity and for the Board to assess annually both the objectives and progress in achieving them | **N/A** | The Company has established a Diversity Policy, however, the policy does not include requirements for the board to establish measurable objectives for achieving gender diversity. Given the Company's size and stage of development as an exploration company, the board does not think it is yet appropriate to include measurable objectives in relation to gender. As the Company grows and requires more employees, the Company will review this policy and amend as appropriate. |
| 3.3 | Companies should disclose in each annual report the measurable objectives for achieving gender diversity set by the Board in accordance with the diversity policy and progress towards achieving them | **N/A** | The Company has established a Diversity Policy, however, the policy does not include requirements for the board to establish measurable objectives for achieving gender diversity. Given the Company's size and stage of development as an exploration company, the board does not think it is yet appropriate to include measurable objectives in relation to gender. |

*A = Adopted*
*N/A = Not adopted*

| | ASX Principle | Status | Reference/comment |
|---|---|---|---|
| 3.4 | Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board. | A | The proportion of women employees in the whole organisation is 33% (excluding directors).<br>There are currently no women in senior executive positions.<br>There are currently no women on the board. |
| 3.5 | Companies should provide the information indicated in the Guide to reporting on Principle 3 | A | |
| **Principle 4:** | **Safeguard integrity in financial reporting** | | |
| 4.1 | The board should establish an audit committee | A | |
| 4.2 | The audit committee should be structured so that it: | | |
| | • consists only of non-executive directors | A | |
| | • consists of a majority of independent directors | A | |
| | • is chaired by an independent chair, who is not chair of the board | A | |
| | • has at least three members | N/A | The Company only has two non-executive directors. |
| 4.3 | The audit committee should have a formal charter | A | |
| 4.4 | Companies should provide the information indicated in the Guide to reporting on Principle 4 | A | |
| **Principle 5:** | **Make timely and balanced disclosure** | | |
| 5.1 | Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies | A | Directors must obtain the approval of the Chairman of the Board and notify the Company Secretary before they buy or sell shares in the Company, and it is subject to Board veto. Directors must provide the information required by the Company to ensure Compliance with Listing Rule 3.19A. |
| 5.2 | Companies should provide the information indicated in the Guide to reporting on Principle 5 | A | The Board receives monthly reports on the status of the Group's activities and any new proposed activities. Disclosure is reviewed as a routine agenda item at each Board Meeting. |
| **Principle 6:** | **Respect the rights of shareholders** | | |
| 6.1 | Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy | A | In line with adherence to continuous disclosure requirements of the ASX all shareholders are kept informed of major developments affecting the Group. This disclosure is through regular shareholder communications including the Annual report, Quarterly Reports, the Company Website and the distributions of specific releases covering major transactions and events. |
| 6.2 | Companies should provide the information indicated in the Guide to reporting on Principle 6 | A | The Group has formulated a Communication Policy which is included in its Corporate Governance Statement on the Company Website. |

*A = Adopted*
*N/A = Not adopted*

| | ASX Principle | Status | Reference/comment |
|---|---|---|---|
| **Principle 7:** | **Recognise and manage risk** | | |
| 7.1 | Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies | **N/A** | While the Group does not have formalised policies on risk management the Board recognises its responsibility for identifying areas of significant business risk and for ensuring that arrangements are in place for adequately managing these risks. This issue is regularly reviewed at Board meetings and risk management culture is encouraged amongst employees and contractors.<br>Determined areas of risk which are regularly considered include:<br>• performance and funding of exploration activities<br>• budget control and asset protection<br>• status of mineral tenements<br>• compliance with government laws and regulations<br>• safety and the environment<br>• continuous disclosure obligations |
| 7.2 | The board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks | **N/A** | While the Group does not have formalised risk management policies it recognises its responsibility for identifying areas of significant business risk and ensuring that arrangements are in place to adequately manage these risks. This issue is regularly reviewed at Board meetings and a risk management culture is encouraged amongst employees and contractors. |
| 7.3 | The board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks | **A** | Assurances received from CEO and CFO (or equivalent) each year. |
| 7.4 | Companies should provide the information indicated in the Guide to reporting on Principle 7 | **A** | |

*A = Adopted*
*N/A = Not adopted*

| | ASX Principle | Status | Reference/comment |
|---|---|---|---|
| **Principle 8:** | **Remunerate fairly and responsibly** | | |
| 8.1 | The board should establish a remuneration committee | **A** | |
| 8.2 | The remuneration committee should be structured so that it: | | |
| | • consists of a majority of independent directors | **N/A** | The Group established a Remuneration Committee consisting of three non-executive directors, only one of whom is classified as independent. As there is only one independent director, it is not possible to have an independent chair that is not chair of the board. Sourcing alternative directors to strictly comply with this Principle is considered expensive with costs outweighing the potential benefits. |
| | • is chaired by an independent director | **N/A** | The Group has established a Remuneration Committee consisting of three non-executive directors, only one of whom is classified as independent. As there is only one independent director, it is not possible to have an independent chair that is not chair of the board. Sourcing alternative directors to strictly comply with this Principle is considered expensive with costs outweighing the potential benefits. |
| | • has at least three members | **A** | |
| 8.3 | Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives | **A** | |
| 8.4 | Companies should provide the information indicated in the Guide to reporting on Principle 8 | **A** | Refer to the Annual Report and the Corporate Governance section of the Company's website. |

*A = Adopted*
*N/A = Not adopted*

Your Directors present their report, together with the financial statements of Genesis Minerals Limited and it's controlled entity, ("the Group") for the year ended 30 June 2013.

Directors

The names of the directors in office at any time during, or since the end of the year are:

| NAMES | POSITION | APPOINTED/RETIRED |
|---|---|---|
| Michael Haynes | Non-Executive Chairman | resigned (12 February 2013) |
| Michael Fowler | Managing Director | |
| Damian Delaney | Non-Executive Director | |
| Richard Hill | Non-Executive Chairman | appointed (12 February 2013) |

Directors have been in office since the start of the year to the date of this report unless otherwise stated.

Information on directors

The names, qualifications and experience of each person who has been a director during the year and to the date of this report are:

| | |
|---|---|
| **Michael Haynes** | Non-Executive Chairman<br>(resigned 12 February 2013) |
| Qualifications | BSc (Hons) |
| Experience | Mr Haynes has more than 19 years' experience in the resources industry. He graduated from the University of Western Australia with an honours degree in geology and geophysics and has been intimately involved in the exploration and development of a wide variety of ore deposit styles throughout the world. Mr Haynes has held technical positions with both BHP Minerals and Billiton pk. He ran his own successful consulting business for a number of years providing professional geophysical and exploration services to both junior and major resource companies. He has worked extensively on project generation and acquisition throughout his career and has been instrumental in the incorporation, financing and ongoing management of numerous junior resources companies. |
| Other directorships in listed entities held in the previous three years | Mr Haynes is a Non-executive Director of Black Range Minerals Limited (appointed 27 June 2005) and Birimian Gold Limited (appointed 24 May 2011 - resigned 31 January 2013) and Chairman of Overland Resources Limited (appointed 9 May 2005) and Coventry Resources Limited appointed 27 October 2009). |

| | |
|---|---|
| **Michael Fowler** | Managing Director |
| Qualifications | BSc, MSc, MAusIMM |
| Experience | Mr Fowler is a geologist with 23 years of experience in the resources industry. He graduated from Curtin University in 1988 with a bachelor of Applied Science degree majoring in geology and in 1999 received a Master of Science majoring in Ore Deposit Geology from the University of Western Australia. On graduating he explored for gold and base metals for Dominion Mining in the Murchison, Gascoyne and Eastern Goldfields Regions of Western Australia. In 1996, Mr Fowler joined Croesus Mining NL and was made Exploration Manager in 1997. He oversaw all exploration for Croesus until June 2004 and was then appointed Business Development Manager and subsequently Managing Director in October 2005. Mr Fowler has overseen the discovery and development of several significant gold deposits. He has been intimately involved in a number of significant acquisitions and project reviews. He has recently worked as the Exploration Manager for Castle Minerals in Ghana. |
| Interest in shares and options | 3,730,730 fully paid ordinary shares,<br>1,500,000 options expiring 30 Nov 2013 exercisable at 31 cents;<br>2,000,000 options expiring 31 Dec 2014 exercisable at 22 cents;<br>27,084 options expiring 1 March 2014 exercisable at 15 cents;<br>27,084 options expiring 1 March 2015 exercisable at 20 cents |
| Other directorships in listed entities held in the previous three years | Mr Fowler has not held any other directorships in the last 3 years. |

| | |
|---|---|
| **Damian Delaney** | Non-Executive Director |
| Qualifications | Chartered Accountant |
| Experience | Mr Delaney is a Chartered Accountant with many years of experience working with international listed companies. Mr Delaney commenced his career in South Africa, qualifying with Coopers & Lybrand, before taking up a series of positions in the United Kingdom. He was until recently Managing Director of ASX listed Nimrodel Resources Ltd. He has worked in the resource sector for the past 7 years where he has been involved in numerous capital raisings. Mr Delaney is fully conversant with all regulatory requirements of the Australian markets and has significant experience managing all aspects of company financial and regulatory reporting. |
| Interest in shares and options | 1,300,000 fully paid ordinary shares;<br>4,000,000 options expiring 31 December 2014 exercisable at 22 cents;<br>115,001 options expiring 1 March 2014 exercisable at 15 cents;<br>115,001 options expiring 1 March 2015 exercisable at 20 cents |
| Other directorships in listed entities held in the previous three years | Mr Delaney is also a director of Stirling Resources Ltd, Redbank Copper Ltd and Swan Gold Mining Ltd. |

| | |
|---|---|
| **Richard Hill** | Non-Executive Chairman (appointed 12 Feburary 2013) |
| Qualifications | B.Juris, LL.B, BSc (Hons), FFin |
| Experience | Richard is a qualified solicitor and geologist with over 22 years experience in the Resource Industry. During this period Richard has performed roles as legal counsel, geologist and commercial manager for several major and mid cap Australian mining companies and more recently as founding director for a series of successful ASX-listed companies and Westoria Resources Investment venture fund. Richard was also co-founder of an investment vehicle, Braeside Australia Limited which was the catalyst for several ASX-listed companies and returned over 20 times the value of funds initially invested within a 3 to 4 year period. During his time in the resource industry Richard has gained a diversity of practical geological experience as a mine based and exploration geologist in a range of commodities and rock types. In his commercial and legal roles, he has been involved in project generation and evaluation, acquisition and joint venture negotiation, company secretarial functions, mining law and land access issues as well as local and overseas marketing and fund raising. |
| Interest in shares and options | 448,822 fully paid ordinary shares |
| Other directorships in listed entities held in the previous three years | Mr Hill is also a director of Centaurus Metals Limited and YTC Resources Limited (appointed 28 April 2006 - resigned 11 July 2012). |

Company secretary

The following person held the position of Group Secretary at the end of the year and at the date of this report:

Damian Delaney

Mr Damian Delaney is a Chartered Accountant who commenced his career in South Africa, qualifying with Cooper & Lybrand, before taking up a series of finance positions in the United Kingdom, finally as Finance Director of London Stock Exchange listed Tarsus Group plc until 2004.

Review of operations

The loss of the Group after providing for income tax amounted to $ (2,952,294) (2012: $ (5,117,531)).

A review of the operations of the Group during the financial year can be found on page 2 of the annual report.

Significant changes in state of affairs

No significant changes in the Group's state of affairs occurred during the financial year.

Principal activities and significant changes in nature of activities

The principal activities of Genesis Minerals Limited during the year was the acquisition of mining tenements, and the exploration of these tenements with the objective of identifying economic mineral deposits.

There were no significant changes in the nature of Genesis Minerals Limited's principal activities during the year.

Meetings of directors

During the year, 4 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

| | Directors' Meetings | | Audit Committee | | Remuneration Committee | |
|---|---|---|---|---|---|---|
| | Number eligible to attend | Number attended | Number eligible to attend | Number attended | Number eligible to attend | Number attended |
| Michael Haynes | 1 | 1 | - | - | - | - |
| Michael Fowler | 3 | 3 | 1 | 1 | - | - |
| Damian Delaney | 3 | 3 | 1 | 1 | - | - |
| Richard Hill | 2 | 2 | 1 | 1 | - | - |

Dividends paid or recommended

No dividends have been paid or recommended during the year.

Financial position

The net assets of Genesis Minerals Limited have decreased by $843,330 from 30 June 2012 to $916,020 at 30 June 2013. This decrease is largely due to the following factors:

- exploration of the Group's Chilean projects;
- raising $1,651,578 on 7 March 2013 via the placement of 33,031,560 ordinary shares at 5 cents each; and
- normal operational overheads incurred in running a listed enity with an overseas subsidiary for 12 months.

Indemnification and insurance of officers and auditors

Genesis Minerals Limited has agreed to indemnify all the directors of Genesis Minerals Limited for any liabilities to another person (other than Genesis Minerals Limited or related body corporate) that may arise from their position as directors of Genesis Minerals Limited and its controlled entity.

During the financial year Genesis Minerals Limited paid a premium of $12,210 (2012: 12,460) in respect of a contract insuring the directors and officers of Genesis Minerals Limited against any liability incurred in the course of their duties to the extent permitted by the *Corporations Act 2001*.

Options

At the date of this report, the unissued ordinary shares of Genesis Minerals Limited under option are as follows:

| GRANT DATE | DATE OF EXPIRY | EXERCISE PRICE | NUMBER UNDER OPTION |
|---|---|---|---|
| 14 November 2012 | 30 November 2013 | $0.12 | 750,000 |
| 20 November 2010 | 30 November 2013 | $0.31 | 2,400,000 |
| 11 April 2012 | 1 March 2014 | $0.15 | 13,510,596 |
| 11 April 2012 | 31 December 2014 | $0.22 | 9,500,000 |
| 11 April 2012 | 1 March 2015 | $0.20 | 13,510,596 |
| | | | 39,671,192 |

Option holders do not have any rights to participate in any issues of shares or other interests in the Group. For details of options issued to directors and other key management personnel as remuneration, refer to the remuneration report.

During the year ended 30 June 2013, no ordinary shares in Genesis Minerals Limited were issued on the exercise of options granted.

The following options lapsed during, or since the end of the year:

| EXPIRY DATE | EXERCISE PRICE | NUMBER OF OPTIONS LAPSED |
|---|---|---|
| 30 September 2012 | $ 0.10 | 600,000 |
| 1 March 2013 | $ 0.12 | 13,510,596 |
| 28 February 2013 | $ 0.20 | 500,000 |
| 23 August 2013 | $ 0.15 | 75,000 |
| 23 August 2013 | $ 0.20 | 75,000 |
| | | **14,760,596** |

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of any other body corporate.

Proceedings on behalf of company

No person has applied for leave of court to bring proceedings on behalf of Genesis Minerals Limited or intervene in any proceedings to which Genesis Minerals Limited is a party for the purpose of taking responsibility on behalf of Genesis Minerals Limited for all or any part of those proceedings.

Genesis Minerals Limited was not a party to any such proceedings during the year.

After balance date events

No matters or circumstances have arisen since the end of the year which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

Future developments

The Directors have excluded from this report any further information on the likely developments in the operations of Genesis Minerals Limited and the expected results of those operations in future financial periods, as the Directors believe that it would be speculative and prejudicial to the interests of Genesis Minerals Limited to include any such information in this report.

Environmental issues

The Group's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia.

Auditors independence declaration

The lead auditors independence declaration for the year ended 30 June 2013 has been received and can be found on page 26 of the financial report.

Non-audit services

Bentleys, Genesis Minerals Limited's auditors, did not provide any non-audit services during the year ended 30 June 2013.

## REMUNERATION REPORT (AUDITED)

The information provided in this remuneration report has been audited as required by section 308(3C) of the Corporations Act 2001.

Remuneration policy

The remuneration policy of Genesis Minerals Limited has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the Group's financial results. The board of Genesis Minerals Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best executives and directors to run and manage the Group.

The board's policy for determining the nature and amount of remuneration for board members and senior executives of the Group is as follows:

The remuneration policy, setting the terms and conditions for the executive directors and other senior executives, was developed by the board. All executives receive a base salary (which is based on factors such as length of service and experience) and superannuation. The board reviews executive packages annually by reference to the Group's performance, executive performance and comparable information from industry sectors and other listed companies in similar industries.

The board may exercise discretion in relation to approving incentives, bonuses and options. The policy is designed to attract the highest calibre of executives and reward them for performance that results in long-term growth in shareholder wealth.

Executives are also entitled to participate in the employee share and option arrangements.

The executive directors and executives receive a superannuation guarantee contribution required by the government, which is currently 9% (unless otherwise stated), and do not receive any other retirement benefits.

All remuneration paid to directors and executives is valued at the cost to the Group and expensed. Options are valued using the Black-Scholes methodology.

The board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The board determines payments to the Non-Executive Directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting (currently $300,000). Fees for non-executive directors are not linked to the performance of the Group. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Group and are able to participate in the employee option plan.

## PERFORMANCE BASED REMUNERATION

The Group currently has no performance based remuneration component built into Director and Executive remuneration packages.

Group performance, shareholder wealth and directors' and executives' remuneration

The remuneration policy has been tailored to increase the direct positive relationship between shareholders' investment objectives and Directors and Executive's performance. The Group plans to facilitate this process by directors and executives participating in future option issues to encourage the alignment of personal and shareholder interests. The Group believes this policy will be effective in increasing shareholder wealth.

**USE OF REMUNERATION CONSULTANTS**

The Group did not employ the services of any remuneration consultants during the financial year ended 30 June 2013.

Voting and comment made on the Group's 2012 Annual General Meeting

The Group received approximately 84% (prior year: 91%) of "yes" votes on its remuneration report for the financial year ended 30 June 2012.

Employment details of members of key management personnel and other executives

The following table provides employment details of persons who were, during the financial year, members of key management personnel of Genesis Minerals Limited. The table also illustrates the proportion of remuneration that was performance and non-performance based and the proportion of remuneration received in the form of options.

| | | NON PERFORMANCE RELATED | SHARES | OPTIONS/ RIGHTS |
|---|---|---|---|---|
| | | % | % | % |
| **Directors** | **Position** | | | |
| Michael Haynes | Non-Executive Chairman | 100 | - | - |
| Michael Fowler | Managing Director | 100 | - | - |
| Damian Delaney | Non-Executive Director | 100 | - | - |
| Richard Hill | Non-Executive Chairman | 100 | - | - |

**Service agreements**

On appointment to the Board, all non-executive directors enter into a service agreement with the Group in the form of a letter of appointment. The letter summarises the Board policies and terms, including compensation, relevant to the office of director.

On 25 June 2007 the Group entered into an Executive Service Agreement with Mr Michael Fowler. Under the Agreement, Mr Michael Fowler is engaged by the Group to provide services to the Group in the capacity of Managing

Agreement was effective from the date the Group was admitted to the Official List (30 July 2007) and continues until terminated by either Mr Fowler or the Group. Mr Fowler is entitled to a minimum notice period of three months from Mr Fowler.

Remuneration details for the year ended 30 June 2013

The following table of benefits and payment details, in respect to the year, the components of remuneration for each member of the key management personnel of Genesis Minerals Limited.

**Table of benefits and payments**

| | Short term | | | Post employment | Share based payments | | |
|---|---|---|---|---|---|---|---|
| | Cash salary fees | Bonus | Non monetary | Pension and superannuation | Options and rights | Shares and units | |
| **2013** | $ | $ | $ | $ | $ | $ | $ |
| **Directors** | | | | | | | |
| Michael Haynes | 42,522 | - | - | - | - | - | 42,522 |
| Michael Fowler | 275,000 | - | - | 25,000 | - | - | 300,000 |
| Damian Delaney | 60,000 | - | - | - | - | - | 60,000 |
| Richard Hill | 18,167 | - | - | - | - | - | 18,167 |
| | 395,689 | - | - | 25,000 | - | - | 420,689 |

Mr Michael Haynes resigned on 12 February 2013; and
Mr Richard Hill was appointed on 12 February 2013.

| | Short term | | | Post employment | Share based payments | | |
|---|---|---|---|---|---|---|---|
| | Cash salary fees | Bonus | Non monetary | Pension and superannuation | Options and rights | Shares and units | |
| **2012** | $ | $ | $ | $ | $ | $ | $ |
| **Directors** | | | | | | | |
| Michael Haynes | 54,500 | - | - | - | 53,038 | - | 107,538 |
| Michael Fowler | 275,000 | - | - | 19,956 | 202,046 | - | 497,002 |
| Damian Delaney | 7,500 | - | - | - | 343,470 | - | 350,970 |
| Graham Smith | 22,500 | - | - | 2,025 | 8,083 | - | 32,608 |
| | 359,500 | - | - | 21,981 | 606,637 | - | 988,118 |

Share based compensation

Details of the options granted as remuneration to those key management personnel and executives during the year:

| DIRECTORS | VALUE (CENTS) | NUMBER OF OPTIONS | EXPIRY DATE | EXERCISE PRICE (CENTS) | % VESTED IN PERIOD | VESTING DATE |
|---|---|---|---|---|---|---|
| Michael Haynes | 8.60 | 500,000 | 31/12/2014 | 22.00 | - | 11/04/2012 |
| Michael Fowler | 8.60 | 2,000,000 | 31/12/2014 | 22.00 | - | 11/04/2012 |
| Damian Delaney | 8.60 | 4,000,000 | 31/12/2014 | 22.00 | - | 11/04/2012 |

There were no share based payments granted to key management personnel during the year ended 30 June 2013.

Option values at grant date were determined using the Black-Scholes method.

All options were issued by Genesis Minerals Limited and entitle the holder to ordinary shares in Genesis Minerals Limited for each option exercised.

There have not been any alterations to the terms or conditions of any share based payment arrangements since grant date.

All options vested in a prior period.

END OF AUDITED SECTION

Signed in accordance with a resolution of the Board of Directors:

Director: ..............................................................................................................................

Michael Fowler

Dated 26 September 2013

Bentleys
THINKING AHEAD

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To The Board of Directors

## Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

As lead audit director for the audit of the financial statements of Genesis Minerals Limited and Controlled Entities for the financial year ended 30 June 2013, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

Yours faithfully

Bentleys

**BENTLEYS**
**Chartered Accountants**

**DOUG BELL CA**
**Director**

DATED at PERTH this 26th day of September 2013

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

## FOR THE YEAR ENDED 30 JUNE 2013

| | NOTE | 2013 $ | 2012 $ |
|---|---|---|---|
| **Income** | | 39,907 | 48,057 |
| Employment expenses | | (459,759) | (440,658) |
| Corporate expenses | | (156,823) | (177,715) |
| Administrative expenses | | (308,950) | (204,651) |
| Exploration expenses | | (2,008,625) | (3,297,467) |
| Impairment expenses | | (22,834) | (151,084) |
| Depreciation expense | | (3,573) | (4,142) |
| Share based payments expenses | 19 | (31,637) | (864,238) |
| Finance costs | | - | (25,633) |
| **Loss before income taxes** | | (2,952,294) | (5,117,531) |
| Income tax expense | 2 | - | - |
| **Loss from continuing operations** | | (2,952,294) | (5,117,531) |
| **Other comprehensive income** | | | |
| **Items that may be reclassified subsequent to profit or loss** | | | |
| Exchange differences on translating foreign operations | | 34,512 | (2,517) |
| **Items that may not be reclassified subsequent to profit or loss** | | - | - |
| **Total comprehensive income** | | (2,917,782) | (5,120,048) |
| | | | |
| **Loss per share** | | | |
| Basic and diluted loss per share (cents) | 9 | (2.17) | (5.90) |

These financial statements should be read in conjunction with the accompanying notes.

## GENESIS MINERALS LIMITED

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## AS AT 30 JUNE 2013

| | NOTE | 2013 $ | 2012 $ |
|---|---|---|---|
| **CURRENT ASSETS** | | | |
| Cash and cash equivalents | 3 | 1,109,319 | 2,040,132 |
| Trade and other receivables | 4 | 4,477 | 18,549 |
| **TOTAL CURRENT ASSETS** | | 1,113,796 | 2,058,681 |
| **NON-CURRENT ASSETS** | | | |
| Plant and equipment | 5 | 9,333 | 12,906 |
| **TOTAL NON-CURRENT ASSETS** | | 9,333 | 12,906 |
| **TOTAL ASSETS** | | 1,123,129 | 2,071,587 |
| **CURRENT LIABILITIES** | | | |
| Trade and other payables | 6 | 128,344 | 267,483 |
| Provisions | | 53,347 | 44,754 |
| **TOTAL CURRENT LIABILITIES** | | 181,691 | 312,237 |
| Provisions | | 25,418 | - |
| **TOTAL NON-CURRENT LIABILITIES** | | 25,418 | - |
| **TOTAL LIABILITIES** | | 207,109 | 312,237 |
| **NET ASSETS** | | 916,020 | 1,759,350 |
| **EQUITY** | | | |
| Issued capital | 7 | 14,440,391 | 12,397,575 |
| Reserves | 8 | 1,281,779 | 1,215,631 |
| Accumulated losses | | (14,806,150) | (11,853,856) |
| **TOTAL EQUITY** | | 916,020 | 1,759,350 |

These financial statements should be read in conjunction with the accompanying notes.

## GENESIS MINERALS LIMITED

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## FOR THE YEAR ENDED 30 JUNE 2013

| | ORDINARY SHARES $ | ACCUMULATED LOSSES $ | FOREIGN CURRENCY TRANSLATION RESERVE $ | OPTION RESERVE $ | TOTAL $ |
|---|---|---|---|---|---|
| Balance at 1 July 2012 | 12,397,575 | (11,853,856) | 76,556 | 1,139,075 | 1,759,350 |
| Profit or loss attributable to members of the company | - | (2,952,294) | - | - | (2,952,294) |
| Exchange differences on translation of foreign operations | - | - | 34,512 | - | 34,512 |
| **Total other comprehensive income for the year** | - | (2,952,294) | 34,512 | - | (2,917,782) |
| **Transactions with owners in their capacity as owners** | | | | | |
| Shares issued during the period | 2,201,292 | - | - | - | 2,201,292 |
| Transaction costs | (158,476) | - | - | - | (158,476) |
| Share based payments | - | - | - | 31,636 | 31,636 |
| **Sub-total** | 2,042,816 | (2,952,294) | 34,512 | 31,636 | (843,330) |
| **Balance at 30 June 2013** | 14,440,391 | (14,806,150) | 111,068 | 1,170,711 | 916,020 |

| | ORDINARY SHARES $ | ACCUMULATED LOSSES $ | FOREIGN CURRENCY TRANSLATION RESERVE $ | OPTION RESERVE $ | TOTAL $ |
|---|---|---|---|---|---|
| Balance at 1 July 2011 | 7,849,148 | (6,736,325) | 79,073 | 274,837 | 1,466,733 |
| Profit or loss attributable to members of the company | - | (5,117,531) | - | - | (5,117,531) |
| Exchange differences on translation of foreign operations | - | - | (2,517) | - | (2,517) |
| **Total comprehensive income for the year** | - | (5,117,531) | (2,517) | - | (5,120,048) |
| **Transactions with owners in their capacity as owners** | | | | | |
| Shares issued during the period | 4,597,257 | - | - | - | 4,597,257 |
| Transaction costs | (74,463) | - | - | - | (74,463) |
| Share based payments | - | - | - | 864,238 | 864,238 |
| Value of conversion rights on convertible notes | 25,633 | - | - | - | 25,633 |
| **Sub-total** | 4,548,427 | (5,117,531) | (2,517) | 864,238 | 292,617 |
| **Balance at 30 June 2012** | 12,397,575 | (11,853,856) | 76,556 | 1,139,075 | 1,759,350 |

These financial statements should be read in conjunction with the accompanying notes.

## Genesis Minerals Limited

## Consolidated Statement of Cash Flows

## For the Year Ended 30 June 2013

| | Note | 2013 $ | 2012 $ |
|---|---|---|---|
| **CASH FROM OPERATING ACTIVITIES:** | | | |
| Interest received | | 39,907 | 30,249 |
| Payment to suppliers and employees | | (957,980) | (654,718) |
| Payments relating to exploration and evaluation of mineral assets | | (1,984,626) | (3,352,607) |
| Net cash used by operating activities | | (2,902,699) | (3,977,076) |
| **CASH FLOWS FROM INVESTING ACTIVITIES:** | | | |
| Payments for plant and equipment | | (21,216) | (4,036) |
| Net cash used by investing activities | | (21,216) | (4,036) |
| **CASH FLOWS FROM FINANCING ACTIVITIES:** | | | |
| Proceeds from issues of ordinary shares | 7 | 2,151,578 | 4,041,157 |
| Payment of share issue costs | | (158,476) | (74,463) |
| Proceeds from borrowings | | - | 500,000 |
| Net cash provided by financing activities | | 1,993,102 | 4,466,694 |
| Effects of exchange rate changes on cash and cash equivalents | | - | (2,333) |
| Net cash used by other activities | | - | (2,333) |
| Net increase (decrease) in cash and cash equivalents | | (930,813) | 483,249 |
| Cash and cash equivalents at beginning of the year | | 2,040,132 | 1,556,883 |
| Cash and cash equivalents at end of the year | | 1,109,319 | 2,040,132 |

These financial statements should be read in conjunction with the accompanying notes.

This financial report includes the financial statements and notes of Genesis Minerals Limited and Controlled Entities (the 'Group'). The financial statements were authorised for issue by the Board of Directors on 26 September 2013.

Genesis Minerals Limited is a public Group limited by shares, incorporated in Australia. The Group is domiciled in Western Australia.

## 1 Summary of Significant Accounting Policies

### (a) Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The Group's financial report is presented in Australian dollars.

### (b) Going concern

The financial statements have been prepared on the going concern basis that contemplates normal business activities and the realisation of assets and extinguishment of liabilities in the ordinary course of business. The Group incurred a loss from ordinary activities of $ (2,952,294) (2012: $ (5,117,531))for the year ended 30 June 2013. Included within the this loss was exploration expenditure of $ 2,008,625 (2012: $ 3,297,467).

The net working capital position of the Group at 30 June 2013 was $ 932,105 (2012: $ 1,746,444) and the cash outflows from operating activities was $ 2,902,699 (2012: $ 3,977,076). The Group has expenditure commitments relating to work programme obligations of their assets of $500,000 which potentially could fall due in the 12 months to 30 June 2014.

These conditions indicate a material uncertainty that may cast significant doubt about the ability of the Group to continue as a going concern. The ability of the Group to continue as a going concern is principally dependent upon the ability of the Company to secure funds by raising capital from equity markets and managing cashflow in line with available funds.

The directors have prepared a cash flow forecast, which indicates that the Group will have sufficient cash flows to meet all commitments and working capital requirements for the 12 month period from the date of signing this financial report.

## 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (B) GOING CONCERN (CONTINUED)

Based on the cash flow forecasts and other factors referred to above, the directors are satisfied that the going concern basis of preparation is appropriate. In particular, given the Company's history of raising capital to date, the directors are confident of the Company's ability to raise additional funds as and when they are required.

Should the Group be unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the Group be unable to continue as a going concern and meet its debts as and when they fall due.

### (C) PRINCIPLES OF CONSOLIDATION

The financial statements incorporate the assets, liabilities and results of entities controlled by Genesis Minerals Limited at the end of the reporting period. A controlled entity is any entity over which Genesis Minerals Limited has the power to govern the financial and operating policies so as to obtain benefits from its activities. Control will generally exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are also considered.

A list of controlled entities is contained in Note 15 to the financial statements.

As at reporting date, the assets and liabilities of all controlled entities have been incorporated into the financial statements as well as their results for the year then ended.

In preparing the financial statements, all inter-group balances and transactions between entities in Genesis Minerals Limited have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

### (D) BUSINESS COMBINATIONS

Business combinations occur where an acquirer obtains control over one or more businesses and results in the consolidation of its assets and liabilities.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The acquisition method requires that for each business combination, one of the combining entities must be identified as the acquirer (i.e. parent entity). The business combination will be accounted for as at the acquisition date, which is the date that control over the acquiree is obtained by the parent entity. At this date, the parent shall recognise, in the consolidated accounts and subject to certain limited exceptions, the fair value of the identifiable assets acquired and liabilities assumed. In addition, contingent liabilities of the acquiree will be recognised where a present obligation has been incurred and its fair value can be reliably measured.

The acquisition may result in the recognition of goodwill or a gain from a bargain purchase. The method adopted for the measurement of goodwill will impact on the measurement of any non-controlling interest to be

## 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (D) BUSINESS COMBINATIONS (CONTINUED)

recognised in the acquiree where less than 100% ownership interest is held in the acquiree.

The consideration transferred for a business combination shall form the cost of the investment in the separate financial statements. Such consideration is measured at fair value at acquisition date and consists of the sum of the assets transferred by the acquirer, liabilities incurred by the acquirer to the former owners of the acquiree and the equity interests issued by the acquirer.

Included in the measurement of consideration transferred is any asset or liability resulting from a contingent consideration arrangement. Any obligation incurred relating to contingent consideration is classified as either a financial liability or equity instrument, depending upon the nature of the arrangement. Rights to refunds of consideration previously paid are recognised as a receivable. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or a liability is remeasured each reporting period to fair value through the statement of comprehensive income, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to the business combination are expensed to the statement of comprehensive income.

### (E) SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing peformance of the operting segments, has been identified as the Board of Directors.

### (F) FOREIGN CURRENCY TRANSACTIONS AND BALANCES

The functional currency of each of Genesis Minerals Limited's entities is measured using the currency of the primary economic environment in which that entity operates. The financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Foreign currency transactions are recorded at the spot rate on the date of the transaction.

At the end of the reporting period:

- Foreign currency monetary items are translated using the closing rate;
- Non-monetary items that are measured at historical cost are translated using the exchange rate at the date of the transaction; and
- Non-monetary items that are measured at fair value are translated using the rate at the date when fair value was determined.

## 1 Summary of Significant Accounting Policies (continued)

### (f) Foreign currency transactions and balances (continued)

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition or in prior reporting periods are recognised through profit or loss, except where they relate to an item of other comprehensive income or whether they are deferred in equity as qualifying hedges.

The financial results and position of foreign operations whose functional currency is different from Genesis Minerals Limited's presentation currency are translated as follows:

- assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
- income and expenses are translated at average exchange rates for the period where the average rate approximates the rate at the date of the transaction; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to Genesis Minerals Limited's foreign currency translation reserve in the consolidated statement of financial position. These differences are recognised in the consolidated statement of profit or loss and other comprehensive income in the period in which the operation is disposed.

### (g) Revenue and other income

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

### (h) Income tax

The income tax expense for the year comprises current income tax expense and deferred tax expense.

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting period. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date

## 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (H) INCOME TAX (CONTINUED)

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the end of the reporting year. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

Current assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

### (I) LEASES

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to the Group are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed

## 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (I) LEASES (CONTINUED)

residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for that period.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the Group will obtain ownership of the asset or over the term of the lease.

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

### (J) IMPAIRMENT OF NON-FINANCIAL ASSETS

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use to the asset's carrying value. Value in use is calculated by discounting the estimated future cash flows of the asset or cash-generating unit (CGU) at a pre-tax discount rate reflecting the specific risks in the asset / CGU. Any excess of the asset's carrying value over its recoverable amount is expensed to the consolidated statement of profit or loss and other comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when Genesis Minerals Limited would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Impairment losses recognised in respect of CGU's are allocated first to reduce the carrying amount of goodwill to nil and then to the other assets in the unit in proportion to their carrying amount.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Assets, other than goodwill that have an allocated impairment loss are reviewed for reversal indicators at the end of each reporting period. After recognition of an impairment loss, the amortisation charge for the asset is adjusted in future periods to allocate the asset's revised carrying amount on a systematic basis over its remaining useful life.

Impairment losses are recognised as an expense immediately, unless the relevant asset is property, plant and equipment held at fair value (other than investment property carried at a revalued amount) in which case the impairment loss is treated as a revaluation decrease as described in the accounting policy for property, plant and equipment.

Where an impairment loss on a revalued asset is identified, this is debited against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the

## 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (J) IMPAIRMENT OF NON-FINANCIAL ASSETS (CONTINUED)

revaluation surplus for that same class of asset.

### (K) CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less which are convertible to a known amount of cash and subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the consolidated statement of financial position.

### (L) FINANCIAL INSTRUMENTS

#### INITIAL RECOGNITION AND MEASUREMENT

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is the equivalent to the date that the Group commits itself to either the purchase or sale of the asset.

Financial instruments are initially measured at fair value plus transactions costs, except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

#### CLASSIFICATION AND SUBSEQUENT MEASUREMENT

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method, or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in arm's length transaction. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

The classification of financial instruments depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and at the end of each reporting period for held-to-maturity assets.

*Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost .

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period.

#### SHARE CAPITAL

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options for immediate are recognised as a deduction from equity, net of any tax effects.

## 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (L) FINANCIAL INSTRUMENTS (CONTINUED)

#### DERECOGNITION

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

### (M) PROPERTY, PLANT AND EQUIPMENT

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

#### PLANT AND EQUIPMENT

Plant and equipment are measured on the cost basis. Cost includes expenditure that is directly attributable to the asset.

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

#### DEPRECIATION

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. Land is not depreciated.

The estimated useful lives used for each class of depreciable assets are:

| CLASS OF FIXED ASSET | USEFUL LIFE (YEARS) |
|---|---|
| Plant and Equipment | 2 to 5 |

The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

### (N) EXPLORATION AND DEVELOPMENT EXPENDITURE

Exploration, evaluation costs are expensed as incurred.

## 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (O) TRADE AND OTHER PAYABLES

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Group during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

### (P) PROVISIONS

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured at the present value of management's best estimate of the outflow required to settle the obligation at the end of the reporting period. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the unwinding of the discount is taken to finance costs in the consolidated statement of profit or loss and other comprehensive income.

Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

### (Q) EMPLOYEE BENEFITS

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Those cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows.

#### EQUITY-SETTLED COMPENSATION

The Group operates equity-settled share-based payment share, right and option schemes. The fair value of the equity to which personnel become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is ascertained as the market bid price. The fair value of options is ascertained using a Black-Scholes pricing model which incorporates all market vesting conditions. The amount to be expensed is determined by reference to the fair value of the options, rights or shares granted. This expense takes in account any market performance conditions and the impact of any non-vesting conditions but ignores the effect of any service and non-market performance vesting conditions.

Non-market vesting conditions are taken into account when considering the number of options expected to vest. At the end of each reporting period, the Group revises its estimate of the number of options or rights which are

## 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (Q) EMPLOYEE BENEFITS (CONTINUED)

**EQUITY-SETTLED COMPENSATION (CONTINUED)**

expected to vest based on the non-market vesting conditions. Revisions to the prior period estimate are recognised in profit or loss and equity.

### (R) BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

### (S) EARNINGS PER SHARE

Genesis Minerals Limited presents basic and diluted earnings per share information for its ordinary shares.

Basic earnings per share is calculated by dividing the profit attributable to owners of the company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share adjusts the basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

### (T) GOODS AND SERVICES TAX (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the consolidated statement of financial position are shown inclusive of GST.

Cash flows are presented in the consolidated statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

### (U) CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

## 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (U) CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (CONTINUED)

#### KEY ESTIMATES - IMPAIRMENT

The Group assesses impairment at the end of each reporting year by evaluating conditions specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

#### KEY ESTIMATES - SHARE BASED PAYMENTS

The Group measures the cost of equity-settled transactions with personnel by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuer using a Black and Scholes model in the case of options and, in the case of performance rights, a hybrid share option pricing model that simulates the share price as at the expiry date using a Monte-Carlo model. The valuation involves making key estimates such as volatility and expected exercise date.

### (V) ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

STANDARDS AND INTERPRETATIONS AFFECTING AMOUNTS REPORTED IN THE CURRENT PERIOD

The following new and revised Standards and Interpretations have been adopted in the current year and have affected the amounts reported in these financial statements.

STANDARDS AFFECTING PRESENTATION AND DISCLOSURE

**Amendments to AASB 101 'Presentation of Financial Statements'**

The amendment (part of AASB 2011-9 'Amendments to Australian Accounting Standards - Presentation of Items of Other Comprehensive Income' introduce new terminology for the statement of comprehensive income and income statement. Under the amendments to AASB 101, the statement of comprehensive income is renamed as a statement of profit or loss and other comprehensive income. The amendments to AASB 101 require items of other comprehensive income to be grouped into two categories in the other comprehensive income section: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes. Other than the above mentioned presentation changes, the application of the amendments to AASB 101 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

STANDARDS AND INTERPRETATIONS AFFECTING THE REPORTED RESULTS OR FINANCIAL POSITION

Amendments to AASB 112 'Income Taxes'
The Company is not affected by the adoption of this standard as the Company does not hold investment property.

## 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (V) ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS (CONTINUED)

AT THE DATE OF AUTHORISATION OF THE FINANCIAL STATEMENTS, THE STANDARDS AND INTERPRETATIONS LISTED BELOW WERE IN ISSUE BUT NOT YET EFFECTIVE.

The company does not anticipate the adoption of these standards will have a material effect on the financial report.

| Standard | Effective from | Applied From |
|---|---|---|
| AASB 9 'Financial Instruments', and the relevant amending standards | 1 January 2015 | 30 June 2016 |
| AASB 10 'Consolidated Financial Statements' and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards' | 1 January 2013 | 30 June 2014 |
| AASB 11 'Joint Arrangements' and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards' | 1 January 2013 | 30 June 2014 |
| AASB 12 'Disclosure of Interests in Other Entities' and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards' | 1 January 2013 | 30 June 2014 |
| AASB 127 'Separate Financial Statements' (2011) and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards' | 1 January 2013 | 30 June 2014 |
| AASB 128 'Investments in Associates and Joint Ventures' (2011) and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards' | 1 January 2013 | 30 June 2014 |
| AASB 13 'Fair Value Measurement' and AASB 2011-8 'Amendments to Australian Accounting Standards arising from AASB 13' | 1 January 2013 | 30 June 2014 |
| AASB 119 'Employee Benefits' (2011) and AASB 2011-10 'Amendments to Australian Accounting Standards arising from AASB 119 (2011)' | 1 January 2013 | 30 June 2014 |
| AASB 2011-4 'Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements' | 1 July 2013 | 30 June 2014 |
| AASB 2012-2 'Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities' | 1 January 2013 | 30 June 2014 |
| AASB 2012-3 'Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities' | 1 January 2014 | 30 June 2015 |
| AASB 2012-5 'Amendments to Australian Accounting Standards arising from Annual Improvements 2009–2011 Cycle' | 1 January 2013 | 30 June 2014 |
| AASB 2012-10 'Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments' | 1 January 2013 | 30 June 2014 |

## 2 INCOME TAX EXPENSE

(a) The prima facie tax on loss from ordinary activities before income tax is reconciled to the income tax expense as follows:

| | 2013 $ | 2012 $ |
|---|---|---|
| **Statement of comprehensive income** | | |
| Current income tax | - | - |
| Deferred tax | - | - |

(b) The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax expense as follows:

| | 2013 $ | 2012 $ |
|---|---|---|
| Prima facie tax payable on profit from ordinary activities before income tax at 30% (2012: 30%) | (885,688) | (1,535,259) |
| Add: | | |
| Tax effect of: | | |
| - share based payments | 17,205 | 252,056 |
| - expenses incurred in deriving non-assessable non-exempt income | 602,238 | 626,141 |
| - sundry | 1,276 | 7,695 |
| - movements in unrecognised temporary differences | 23,540 | 1,327 |
| | (241,429) | (648,040) |
| Tax effect of current year losses for which no deferred tax asset has been recognised | 241,429 | 648,040 |
| Income tax expense | - | - |

At 30 June 2013 Genesis Minerals Limited had unused tax losses for which no deferred tax asset has been recognised in the amount of approximately $2,690,317 (2012: $2,448,888). The availability of these losses is subject to satisfying Australian taxation legislation requirements. The deferred tax asset attributable to tax losses has not been brought to account in these financial statements because the Directors believe it is not presently appropriate to regard realisation of the future income tax benefits probable.

## 3 CASH AND CASH EQUIVALENTS

The following table details the components of cash and cash equivalents as reported in the statement of financial position.

| | 2013<br>$ | 2012<br>$ |
|---|---|---|
| Cash on hand | 50,251 | 540,132 |
| Short-term bank deposits | 1,059,068 | 1,500,000 |
| | 1,109,319 | 2,040,132 |

## 4 TRADE AND OTHER RECEIVABLES

The following table details the major components of current trade and other receivables as reported in the statement of financial position.

| | 2013<br>$ | 2012<br>$ |
|---|---|---|
| Government taxes receivable | - | 638 |
| Other receivables | 4,477 | 17,911 |
| | 4,477 | 18,549 |

The Group expects the above trade and other receivables to be recovered within 12 months of 30 June 2013 and therefore considers the amounts shown above at cost to be a close approximation of fair value.

Trade and other receivables expose Genesis Minerals Limited to credit risk as potential for financial loss arises should a debtor fail to repay their debt in a timely manner. Disclosure on credit risk can be found at Note 11(a).

## 5 PLANT AND EQUIPMENT

| | 2013<br>$ | 2012<br>$ |
|---|---|---|
| Plant and equipment | | |
| At cost | 28,194 | 27,265 |
| Accumulated depreciation | (18,861) | (14,359) |
| | 9,333 | 12,906 |

## 5 PLANT AND EQUIPMENT (CONTINUED)

### MOVEMENTS IN CARRYING AMOUNTS

Movement in the carrying amounts for each class of plant and equipment between the beginning and the end of the current financial year:

| | PLANT AND EQUIPMENT $ | TOTAL $ |
|---|---|---|
| **Balance at 30 June 2013** | | |
| Balance at the beginning of year | 12,906 | 12,906 |
| Depreciation expense | (3,573) | (3,573) |
| Balance at 30 June 2013 | 9,333 | 9,333 |
| | | |
| **Balance at 30 June 2012** | | |
| Balance at the beginning of year | 13,196 | 13,196 |
| Additions | 4,036 | 4,036 |
| Depreciation expense | (4,142) | (4,142) |
| Foreign exchange movements | (184) | (184) |
| Balance at 30 June 2012 | 12,906 | 12,906 |

## 6 TRADE AND OTHER PAYABLES

| | 2013 $ | 2012 $ |
|---|---|---|
| Trade payables | 78,177 | 169,697 |
| Other payables | 50,167 | 97,786 |
| | 128,344 | 267,483 |

## 7 ISSUED CAPITAL

| | 2013 | 2012 |
|---|---|---|
| | $ | $ |
| 165,657,799 (30 June 2012: 121,783,379) Ordinary shares | 15,243,924 | 13,042,632 |
| Value of conversion rights - Convertible Notes | 25,633 | 25,633 |
| Share issue costs written off against issued capital | (829,166) | (670,690) |
| | 14,440,391 | 12,397,575 |

### MOVEMENT IN ORDINARY SHARES

| | No. | $ |
|---|---|---|
| Balance at 1 July 2011 | 77,408,477 | 7,849,148 |
| Issued at consideration for tenement acquisition | 510,000 | 56,100 |
| Issued on conversion of convertible notes at 10 cents per share | 5,000,000 | 500,000 |
| Issued for cash at 10 cents per share | 35,531,569 | 3,541,157 |
| Issued for cash at 15 cents per share | 3,333,333 | 500,000 |
| Less: transaction costs | - | (74,463) |
| Balance at 30 June 2012 | 121,783,379 | 12,371,942 |
| Share based payment 14 Nov 2012 | 342,860 | 25,714 |
| Capital raising - 7 March 2013 | 33,031,560 | 1,651,578 |
| Share Issue | 10,000,000 | 500,000 |
| Issue to Teck Resources Ltd - 3 April 2013 | 500,000 | 24,000 |
| Less share issued costs | - | (158,476) |
| | 165,657,799 | 14,414,758 |

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

At the shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

The amount shown for other equity securities is the value of the conversion rights relating to the convertible notes that were issued, and then converted, during prior reporting period.

## 7 ISSUED CAPITAL (CONTINUED)

### OPTIONS

| | 2013 No. | 2012 No. |
|---|---|---|
| At the beginning of the year | 53,681,788 | 12,900,000 |
| Movement during the year | | |
| Exercisable at 12 cents, on or before 1 March 2013 | - | 13,510,596 |
| Exercisable at 15 cents, on or before 1 March 2014 | - | 13,510,596 |
| Exercisable at 20 cents, on or before 1 March 2015 | - | 13,510,596 |
| Exercisable at 22 cents, on or before 31 December 2014 | - | 9,500,000 |
| Expired on 15 May 2013, exercisable at 20 cents | - | (9,250,000) |
| Exercisable at 12 cents, on or before 7 November 2012 | 750,000 | - |
| Expired on 15 May 2013, exercisable at 20 cents | (600,000) | - |
| Expired on 15 May 2013, exercisable at 20 cents | (13,510,596) | - |
| Expired on 15 May 2013, exercisable at 20 cents | (500,000) | - |
| At the end of the year | 39,821,192 | 53,681,788 |

### CAPITAL MANAGEMENT

The Group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they may continue to provide returns for shareholders and benefits for other stakeholders.

Due to the nature of the Group's activities being mineral exploration, the Group does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the the Group's capital risk management is the current working capital position against the requirements of the Group to meet exploration programmes and corporate overheads. The Group's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raising as required.

The Group’s working capital position is $932,105 (2012: $1,746,444).

There are no externally imposed capital requirements.

## 8 RESERVES

### (A) FOREIGN CURRENCY TRANSLATION RESERVE

Exchange differences arising on translation of the foreign controlled entities are taken to the foreign currency translation reserve. The reserve is recognised in the profit and loss when the net investment is diposed of.

## 8 RESERVES (CONTINUED)

### (B) SHARE BASED PAYMENT RESERVE

This reserve records the cumulative value of services received for the issue of share options. When the options are exercised the amount in the share option reserve is transferred to share capital.

## 9 EARNINGS PER SHARE

| | 2013<br>$ | 2012<br>$ |
|---|---|---|
| Earnings used to calculate overall earnings per share | (2,952,294) | (5,117,531) |

(a) Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS

| | 2013<br>No. | 2012<br>No. |
|---|---|---|
| Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS | 135,675,986 | 86,601,519 |

## 10 COMMITMENTS

### (A) EXPLORATION EXPENDITURE COMMITMENTS

| | 2013<br>$ | 2012<br>$ |
|---|---|---|
| Payable: | | |
| - no later than 1 year | 500,000 | 2,200,000 |
| | 500,000 | 2,200,000 |

## 11 FINANCIAL RISK MANAGEMENT

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects and ensure that net cash flows are sufficient to support the delivery of the Company's financial targets whilst protecting future financial security. The Group continually monitors and tests its forecasted financial position against these objectives.

## 11 FINANCIAL RISK MANAGEMENT (CONTINUED)

The main risks Genesis Minerals Limited is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk, currency risk and commodity price risk.

The Group's financial instruments consist mainly of deposits with banks, accounts receivable and payable and loans to subsidiaries.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

| | 2013 | 2012 |
|---|---|---|
| | $ | $ |
| **Financial Assets** | | |
| Cash and cash equivalents | 1,109,319 | 2,040,132 |
| Trade and other receivables | 4,477 | 18,549 |
| **Total financial assets** | 1,113,796 | 2,058,681 |
| **Financial Liabilities** | | |
| Trade and other payables | 128,344 | 267,483 |
| **Total financial liabilities** | 128,344 | 267,483 |

### FINANCIAL RISK MANAGEMENT POLICIES

The Board of Directors has overall responsibility for the establishment of Genesis Minerals Limited's financial risk management framework. This includes the development of policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk and the use of derivatives.

Mitigation strategies for specific risks faced are described below:

The main risks Genesis Minerals Limited is exposed to through its financial instruments are credit risk, liquidity risk and market risk relating to interest rate risk, currency risk and commodity price risk.

### (A) CREDIT RISK

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to Genesis Minerals Limited and arises principally from Genesis Minerals Limited's receivables.

The Group's maximum exposure to credit risk at the reporting date in relation to each class of recognised financial assets is the carrying amount of those assets as indicated in the statement of financial position. Other than cash balances and term deposits held at bank the Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

## 11 FINANCIAL RISK MANAGEMENT (CONTINUED)

### (A) CREDIT RISK (CONTINUED)

The Group's policy for reducing credit risk is to ensure cash is only invested with counterparties with Standards and Poor rating of at least -AA.

### (B) LIQUIDITY RISK

Liquidity risk arises from the possibility that Genesis Minerals Limited might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group manages this risk through the following mechanisms:

- preparing forward-looking cash flow analysis in relation to its operational, investing and financial activities which are monitored on a monthly basis;
- monitoring the state of equity markets in conjuction with the Group's current and future funding requirements, with a view to appropriate capital raisings as required;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of current financial liabilities with the realisation profile of current financial assets.

### (C) MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

*i. Price risk*

Given the current level of operations, the Group is not exposed to price risk.

*Foreign exchange risk*

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Chilean Peso ("CLP"). Foreign exchange risk arises from future commercial transactions and recognises assets and liabilities denominated in a currency that is not the Group's functional currency and net investments in foreign operations. The Group has not formalised a foreign currency risk management policy however, it monitors its foreign currency expenditure in light of exchange rate movements. At 2013, the Group's Net CLP exposure was $1,541,672 (2012: (4,109,645)) which translated to $3,237 (2012: (8,092)) AUD.

Had the AUD weakened/strengthened by 10% against the CLP, there would have been a nil (2012: nil) impact on the Group's post tax losses and an immaterial movement to the Group's equity for both years.

## 11 FINANCIAL RISK MANAGEMENT (CONTINUED)

### (C) MARKET RISK (CONTINUED)

*iii. Interest rate risk*

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period, whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Group is also exposed to earnings volatility on floating rate instruments.

Interest rate risk is managed by maintaining cash in interest bearing accounts and having no interest bearing liabilities.

*ii. Sensitivity analysis*

The following sensitivity analysis is based on the interest rate risk exposures in existence at the end of the reporting period.

An increase/(decrease) of 80 basis points during the period would have increased/(decreased) equity and profit or loss by the amounts shown below. This analysis assumes that other variables are held constant.

| | **PROFIT** | | **EQUITY** | |
|---|---|---|---|---|
| | **80 BASIS POINTS INCREASE** | **80 BASIS POINTS DECREASE** | **80 BASIS POINTS INCREASE** | **80 BASIS POINTS DECREASE** |
| 2013 | 9,500 | (9,500) | 9,500 | (9,500) |
| 2012 | 8,850 | (8,850) | 8,850 | (8,850) |

The net exposure at the end of the reporting period is representative of what Genesis Minerals Limited was and is expecting to be exposed to at the end of the next twelve months.

The sensitivity analysis is performed on the same basis as in 2012.

### (D) FAIR VALUE ESTIMATION

The fair values of financial assets and financial liabilities can be compared to their carrying values as presented in the consolidated statement of financial position. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

## 12 OPERATING SEGMENTS

For management purposes, the Group is organised into two main operating segments, the exploration of minerals in Chile and the corporate activities and administrative costs in Australia. The accounting policies applied for internal reporting purposes are consistent with those applied in the preparation of these financial statements.

## 12 OPERATING SEGMENTS (CONTINUED)

### BASIS OF ACCOUNTING FOR PURPOSES OF REPORTING BY OPERATING SEGMENTS

### (A) ACCOUNTING POLICIES ADOPTED

Unless stated below, all amounts reported to the Board of Directors, being the chief operating decision maker with respect to operating segments, are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of Genesis Minerals Limited.

### INTER-SEGMENT TRANSACTIONS

An internally determined transfer price is set for all inter-entity sales. This price is reset quarterly and is based on what would be realised in the event the sale was made to an external party at arm's-length. All such transactions are eliminated on consolidation of Genesis Minerals Limited's financial statements.

Inter-segment loans payable and receivable are initially recognised at the consideration received/to be received net of transaction costs. If inter-segment loans receivable and payable are not on commercial terms, these are not adjusted to fair value based on market interest rates. This policy represents a departure from that applied to the statutory financial statements.

### SEGMENT ASSETS

Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of economic value from the asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

### SEGMENT LIABILITIES

Liabilities are allocated to segments where there is direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to Genesis Minerals Limited as a whole and are not allocated. Segment liabilities include trade and other payables and certain direct borrowings.

### UNALLOCATED ITEMS

The following items of revenue, expense, assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment:

- Head office and administration costs;

## 12 OPERATING SEGMENTS (CONTINUED)

### (B) SEGMENT PERFORMANCE

| | CHILE | | AUSTRALIA | | TOTAL | |
|---|---|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| | $ | $ | $ | $ | $ | $ |
| **REVENUE** | | | | | | |
| Corporate interest revenue | - | - | 39,850 | 37,942 | 39,850 | 37,942 |
| Interest - investment | - | - | 57 | 10,115 | 57 | 10,115 |
| **Total segment revenue** | - | - | 39,907 | 48,057 | 39,907 | 48,057 |
| **SEGMENT RESULTS** | (690,244) | (3,448,550) | - | - | (690,244) | (3,448,550) |
| Depreciation expense | - | - | (2,241) | (4,142) | (2,241) | (4,142) |
| Employee benefits expense | - | - | (459,759) | (440,658) | (459,759) | (440,658) |
| Share based payments | - | - | (31,636) | (864,238) | (31,636) | (864,238) |
| Other expenses | - | - | (1,808,321) | (359,943) | (1,808,321) | (359,943) |
| | (690,244) | (3,448,550) | (2,262,050) | (1,620,924) | (2,952,294) | (5,069,474) |

### (C) SEGMENT ASSETS

| | | | | | | |
|---|---|---|---|---|---|---|
| Segment operating assets | 28,210 | 21,647 | - | - | 28,210 | 21,647 |
| Other assets | - | - | 1,094,919 | 2,049,940 | 1,094,919 | 2,049,940 |
| | 28,210 | 21,647 | 1,094,919 | 2,049,940 | 1,123,129 | 2,071,587 |

### (D) SEGMENT LIABILITIES

| | CHILE | | AUSTRALIA | | TOTAL | |
|---|---|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| | $ | $ | $ | $ | $ | $ |
| Segment operating liabilities | (4,237,890) | (4,197,645) | - | - | (4,237,890) | (4,197,645) |
| Inter-segment elimintations | - | - | 4,201,499 | 4,167,906 | 4,201,499 | 4,167,906 |
| Other corporate and adminstrative liabilities | - | - | (170,718) | (282,498) | (170,718) | (282,498) |
| **Total segment liabilities** | (4,237,890) | (4,197,645) | 4,030,781 | 3,885,408 | (207,109) | (312,237) |

## 13 INTERESTS OF KEY MANAGEMENT PERSONNEL

The totals of remuneration paid to the key management personnel of Genesis Minerals Limited during the year are as follows:

| | 2013 | 2012 |
|---|---|---|
| | $ | $ |
| Short-term employee benefits | 395,689 | 359,500 |
| Post-employment benefits | 25,000 | 21,981 |
| Share-based payments | - | 606,637 |
| | 420,689 | 988,118 |

The Remuneration Report contained in the Directors' Report contains details of the remuneration paid or payable to each member of Genesis Minerals Limited's key management personnel for the year ended 30 June 2013.

## 13 INTERESTS OF KEY MANAGEMENT PERSONNEL (CONTINUED)

### KEY MANAGEMENT PERSONNEL OPTION HOLDINGS

Details of options provided as remuneration and shares issued on the exercise of such options together with terms and conditions of the options can be found in the Remuneration Report within the Director's Report.

| 30 JUNE 2013 | BALANCE AT BEGINNING OF YEAR | GRANTED AS REMUN-ERATION | EXERCISED | OTHER CHANGES | BALANCE AT THE END OF YEAR | VESTED DURING THE YEAR | VESTED AND EXERCISABLE |
|---|---|---|---|---|---|---|---|
| **Directors** | | | | | | | |
| Michael Haynes | 1,000,000 | - | - | (1,000,000) | - | - | - |
| Michael Fowler | 3,581,252 | - | - | (27,084) | 3,554,168 | - | 3,554,168 |
| Damian Delaney | 4,345,003 | - | - | - | 4,345,003 | - | 4,345,003 |
| Richard Hill | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - |
| | 8,926,255 | - | - | (1,027,084) | 7,899,171 | - | 7,899,171 |

| 30 JUNE 2012 | BALANCE AT BEGINNING OF YEAR | GRANTED AS REMUN-ERATION | EXERCISED | OTHER CHANGES | BALANCE AT THE END OF YEAR | VESTED DURING THE YEAR | VESTED AND EXERCISABLE |
|---|---|---|---|---|---|---|---|
| **Directors** | | | | | | | |
| Michael Haynes | 1,500,000 | 500,000 | - | (1,000,000) | 1,000,000 | - | 750,000 |
| Michael Fowler | 6,500,000 | 2,000,000 | - | (4,918,748) | 3,581,252 | - | 2,831,252 |
| Damian Delaney | - | 4,000,000 | - | 345,003 | 4,345,003 | - | 4,345,003 |
| Graham Smith | 900,000 | - | - | (900,000) | - | - | - |
| | 8,900,000 | 6,500,000 | - | (6,473,745) | 8,926,255 | - | 7,926,255 |

Graeme Smith resigned on 21 March 2012.

### 13 INTERESTS OF KEY MANAGEMENT PERSONNEL (CONTINUED)

#### KEY MANAGEMENT PERSONNEL SHAREHOLDINGS

The number of ordinary shares in Genesis Minerals Limited held by each key management person of Genesis Minerals Limited during the financial year is as follows:

| | BALANCE AT BEGINNING OF YEAR | ON EXERCISE OF OPTIONS | OTHER CHANGES DURING THE YEAR | BALANCE AT END OF YEAR |
|---|---|---|---|---|
| **30 June 2013** | | | | |
| Michael Haynes | 993,334 | - | (993,334) | - |
| Michael Fowler | 3,247,917 | - | 182,813 | 3,430,730 |
| Damian Delaney | 345,000 | - | 755,000 | 1,100,000 |
| Richard Hill | - | - | 448,822 | 448,822 |
| | - | - | - | - |
| | 4,586,251 | - | 393,301 | 4,979,552 |

| | BALANCE AT BEGINNING OF YEAR | ON EXERCISE OF OPTIONS | OTHER CHANGES DURING THE YEAR | BALANCE AT END OF YEAR |
|---|---|---|---|---|
| **30 June 2012** | | | | |
| **Directors** | | | | |
| Michael Haynes | 993,334 | - | - | 993,334 |
| Michael Fowler | 3,166,667 | - | 81,250 | 3,247,917 |
| Damian Delaney | - | - | 345,000 | 345,000 |
| Graeme Smith | 100,001 | - | (100,001) | - |
| | - | - | - | - |
| | 4,260,002 | - | 326,249 | 4,586,251 |

Graeme Smith resigned on 21 March 2012.

## 14 AUDITORS' REMUNERATION

| | 2013 | 2012 |
|---|---|---|
| | $ | $ |
| Remuneration of the auditor of the Group, Bentleys, for: | | |
| - auditing or reviewing the financial statements | 27,500 | 26,100 |

## 15 CONTROLLED ENTITIES

| | COUNTRY OF INCORPORATION | PERCENTAGE OWNED (%)* | PERCENTAGE OWNED (%)* |
|---|---|---|---|
| | | 2013 | 2012 |
| **Subsidiaries:** | | | |
| Genesis Minerals (Chile) S.A. | Chile | 100 | 100 |

* Percentage of voting power is in proportion to ownership

## 16 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

In the opinion of the Directors, Genesis Minerals Limited did not have any contingencies at 30 June 2013 (30 June 2012: Nil).

## 17 RELATED PARTY TRANSACTIONS

*Key management personnel:*

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity are considered key management personnel.

For details of remuneration disclosures relating to key management personnel, refer to Note 13: Interests of Key Management Personnel (KMP) and the remuneration report in the Directors' Report.

There were no other related party transactions during the year.

## 18 CASH FLOW INFORMATION

Reconciliation of net income to net cash provided by operating activities:

| | 2013 | 2012 |
|---|---|---|
| | $ | $ |
| Net loss for the period | (2,952,294) | (5,117,531) |
| **Non-cash flows in profit:** | | |
| - share based payments | 81,350 | 920,338 |
| - depreciation | 3,573 | 4,142 |
| - accretion expense on convertible notes | - | 25,633 |
| **Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:** | | |
| - (increase)/decrease in trade and other receivables | 14,072 | (11,112) |
| - increase/(decrease) in trade and other payables | (83,411) | 201,454 |
| - increase in provisions | 34,011 | - |
| Cashflow from operations | (2,902,699) | (3,977,076) |

## 19 SHARE-BASED PAYMENTS

The Group established the Genesis Minerals Limited Option Plan on 15 May 2007. On 7 November 2012 the Group came to an agreement to grant 750,000 options to the Chilean Manager of the Group's South American asset base.

The fair value fo the options granted is deemed to represent the value of the employee services received over the vesting period. The 750,000 options were issued in 3 tranches, each containing 250,000 options. Each tranche contained the following vesting conditions:

- Tranche 1 - vest immeditately
- Tranche 2 - vest on 1 November 2013
- Tranche 3 - vest on 1 November 2014

The expense arising from the options issued during year was $31,637. The value was calculated by using a Black-Scholes option pricing model applying the following inputs:

### 19 SHARE-BASED PAYMENTS (CONTINUED)

| | 2013 | 2012 |
|---|---|---|
| Underlying share price (cents): | 9.0 | - |
| Weighted average exercise price (cents): | 12 | - |
| Weighted average life of the option (years): | 3 | - |
| Expected share price volatility (%): | 128.00 | - |
| Risk-free interest rate (%): | 2.79 | - |

Historical volatility has been the basis for determining expected share price volatility as it assumed that this is indicative of future movements.

Th life of the options is based on the historical exercise patterns, which may not eventuate in the future.

In addition to the above share based payment, 342,860 fully paid ordinary shares were issued to the vendor of the Cerro Verde acquisition and in accordance with the agreement under which the acquisition was made. The shares were valued at grant date, 30 September 2012, using the closing price of 7.5 cents. On 3 April 2013, 500,000 ordinary shares were issued to a vendor at 5 cents. The expense recognised during the year was $49,714 and this amount is included within exploration expenses.

| | No of Options | Weighted ave exercise price (cents) |
|---|---|---|
| Options outstanding at 1 July 2011 | 3,650,000 | 25.5 |
| Granted | 9,500,000 | 22.0 |
| Options oustanding at 30 June 2012 | 13,150,000 | 23.0 |
| Granted | 750,000 | 12.0 |
| Options oustanding at 30 June 2013 | 13,900,000 | 23.7 |

### 20 EVENTS AFTER THE END OF THE REPORTING PERIOD

No other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

## 21 PARENT ENTITY

The following information has been extracted from the books and records of the parent, Genesis Minerals Limited and has been prepared in accordance with Australian Accounting Standards.

The financial information for the parent entity, Genesis Minerals Limited has been prepared on the same basis as the consolidated financial statements.

| | 2013<br>$ | 2012<br>$ |
|---|---|---|
| **Statement of Financial Position** | | |
| Assets | | |
| Current assets | 1,094,382 | 2,037,034 |
| Non-current assets | 535 | 2,777 |
| Total Assets | 1,094,917 | 2,039,811 |
| Liabilities | | |
| Current liabilities | (145,299) | 282,498 |
| Non-current liabilities | (25,417) | - |
| Total Liabilities | (170,716) | 282,498 |
| Equity | | |
| Issued capital | 14,440,391 | 12,397,575 |
| Accumulated losses | (14,686,901) | (11,779,337) |
| Reserves | 1,170,711 | 1,139,075 |
| Total Equity | 924,201 | 1,757,313 |
| **Statement of Comprehensive Income** | | |
| Total comprehensive income | (2,871,464) | (5,054,644) |
| **Total comprehensive income** | (2,871,464) | (5,054,644) |

### CONTINGENT LIABILITIES

The parent entity did not have any contingent liabilities as at 30 June 2013 or 30 June 2012.

### CONTRACTUAL COMMITMENTS

The parent entity did not have any commitments as at 30 June 2013 or 30 June 2012 other than those disclosed in note 10.

## Genesis Minerals Limited

## Directors' Declaration

The directors of the Group declare that:

1. The financial statements and notes, as set out on pages 27 to 60, are in accordance with the *Corporations Act 2001* and:

   (a) comply with International Financial Reporting Standards and Corporations Regulations 2001; and

   (b) give a true and fair view of the financial position as at 30 June 2013 and of the performance for the year ended on that date of the Group;

2. In the directors' opinion, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

3. The remuneration disclosures included in the Directors' Report (as part of the audited Remuneration Report), for the year ended 30 June 2013, comply with Section 300A of the Corporations Act 2001, and

4. the Directors have been given the declarations by the chief executive officer and chief financial officer pursuant to Section 295(5) of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the Board of Directors.

Director ..................................................................

Dated 26 September 2013

# Independent Auditor's Report

## To the Members of Genesis Minerals Limited

Bentleys
THINKING AHEAD

**Bentleys Audit & Corporate (WA) Pty Ltd**
Level 1, 12 Kings Park Road
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PO Box 44
West Perth WA 6872
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We have audited the accompanying financial report of Genesis Minerals Limited ("the Company") and Controlled Entities ("the Consolidated Entity"), which comprises the consolidated statement of financial position as at 30 June 2013, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the Consolidated Entity, comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

### Directors Responsibility for the Financial Report

The directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standards AASB 101: *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

### Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the *Corporations Act 2001*.

## Auditor's Opinion

In our opinion:

a. The financial report of Genesis Minerals Limited and Controlled Entities is in accordance with the *Corporations Act 2001*, including:

   i. giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2013 and of its performance for the year ended on that date; and

   ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*;

b. The financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

## Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the financial report which indicates that the Consolidated Entity incurred a net loss of $2,952,294 during the year ended 30 June 2013. This condition, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty which may cast significant doubt about the ability of the Consolidated Entity to continue as a going concern and whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

## Report on the Remuneration Report

We have audited the Remuneration Report included in directors' report of the year ended 30 June 2013. The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

## Auditor's Opinion

In our opinion, the Remuneration Report of Genesis Minerals Limited for the year ended 30 June 2013, complies with section 300A of the *Corporations Act 2001*.

Bentleys

**BENTLEYS**
**Chartered Accountants**

Doug Bell

**DOUG BELL CA**
**Director**

DATED at PERTH this 26th day of September 2013

# ASX ADDITIONAL INFORMATION

Additional information required by Australian Stock Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 25 September 2013.

**(a) Distribution of equity securities**

Analysis of numbers of equity security holders by size of holding:

| | | | Ordinary shares | |
|---|---|---|---|---|
| | | | **Number of holders** | **Number of shares** |
| 1 | - | 1,000 | 16 | 1,793 |
| 1,001 | - | 5,000 | 27 | 90,085 |
| 5,001 | - | 10,000 | 47 | 417,600 |
| 10,001 | - | 100,000 | 273 | 11,143,018 |
| 100,001 | | and over | 181 | 154,005,303 |
| | | | **544** | **165,657,799** |
| The number of shareholders holding less than a marketable parcel of shares are: | | | 52 | |

**(b) Twenty largest shareholders**

The names of the twenty largest holders of quoted ordinary shares are:

| | | Listed ordinary shares | |
|---|---|---|---|
| | | **Number of shares** | **Percentage of** |
| 1 | INVESTMET LIMITED | 29,243,928 | 17.65 |
| 2 | MR DENIS JOHN REYNOLDS | 7,296,331 | 4.40 |
| 3 | WYLLIE GROUP PTY LTD | 5,992,501 | 3.62 |
| 4 | ARGONAUT EQUITY PARTNERS PTY LIMITED | 5,535,939 | 3.34 |
| 5 | MR MICHAEL GEORGE FOTIOS <MICHAEL FOTIOS FAMILY A/C> | 5,535,003 | 3.34 |
| 6 | WESTORIA RESOURCE INVESTMENTS LTD | 5,062,500 | 3.06 |
| 7 | ARGONAUT SECURITIES (NOMINEES) PTY LTD | 5,000,000 | 3.02 |
| 8 | PERSHING AUSTRALIA NOMINEES PTY LTD <ARGONAUT ACCOUNT> | 4,416,666 | 2.67 |
| 9 | DELTA RESOURCE MANAGEMENT PTY LTD | 2,937,500 | 1.77 |
| 10 | MR MICHAEL JOHN FOWLER + MRS FIONA LEE FOWLER <MJ & FLD FOWLER FAMILY A/C> | 2,516,667 | 1.52 |
| 11 | ARGONAUT INVESTMENTS PTY LTD <ARGONAUT INVESTMENT A/C> | 2,343,751 | 1.41 |
| 12 | PERTH SELECT SEAFOODS PTY LTD | 1,831,251 | 1.11 |
| 13 | STATELINE INVESTMENTS PTY LTD <COLGAN FAMILY A/C> | 1,781,000 | 1.08 |
| 14 | MRS CAMILLE DIANNE BROOKS | 1,540,000 | 0.93 |
| 15 | SCINTILLA STRATEGIC INVESTMENTS LIMITED | 1,500,000 | 0.91 |
| 16 | MR ADRIAN HILL <THE HILL FAMILY A/C> | 1,229,259 | 0.74 |
| 17 | MR JASON LEONARD BOLADERAS | 1,225,000 | 0.74 |
| 18 | MR MICHAEL JOHN FOWLER + MRS FIONA LEE DIXON FOWLER CANNING VIEW SUPER FUND A/C | 1,214,063 | 0.73 |
| 19 | MR ANDREW WILLIAM SPENCER <SPENCER SUPER FUND A/C> | 1,212,253 | 0.73 |
| 20 | MONTANA REALTY PTY LTD | 1,163,751 | 0.70 |
| | | 88,577,363 | 53.47 |

**(c) Substantial shareholders**

The names of substantial shareholders who have notified the Company in accordance with section 671B of the *Corporations Act 2001* are:

| | **Number of Shares** |
|---|---|
| Investmet Ltd | 29,243,928 |

**(d) Voting rights**

All ordinary shares (whether fully paid or not) carry one vote per share without restriction.

**(e) Options**

As at September 2013, the Company has a total of unlisted options as follows:

| Number of Options | Number of Holders | Exercise Price | Expiry Date |
|---|---|---|---|
| 2,400,000 | 3 | $0.31 | 30/11/2013 |
| 9,500,000 | 5 | $0.22 | 31/12/2014 |
| 13,510,596 | 207 | $0.15 | 01/03/2014 |
| 13,510,596 | 207 | $0.20 | 01/03/2015 |
| 750,000 | 1 | $0.12 | 30/11/2015 |
| **39,671,192** | **423** | | |

**Unlisted Option holder holding greater than 20% of a class of unlisted options**

| Unlisted Options Exercisable at $0.31 expiring on 30/11/2013 | No of Options Held | % Held |
|---|---|---|
| Mr M Fowler | 1,500,000 | 63% |
| Mr M Haynes | 500,000 | 21% |
| **Unlisted options exercisable at $0.22 expiring on 31/12/2014** | **No of Options Held** | **% Held** |
| Mr M Delaney | 4,000,000 | 42% |
| Mr M Fowler | 2,000,000 | 21% |
| Mr M Fotios | 2,000,000 | 21% |
| **Unlisted Options exercisable at $0.15 expiring on 01/03/2014** | **No of Options Held** | **% Held** |
| Investment Pty Ltd | 6,458,381 | 48% |
| **Unlisted Options exercisable at $0.20 expiring on 01/03/2015** | **No of Options Held** | **% Held** |
| Investment Pty Ltd | 6,458,381 | 48% |
| **Unlisted Options exercisable at $0.12 expiring on 30/11/2015** | **No of Options Held** | **% Held** |
| Mr S Mandujano | 750,000 | 100% |

**(f) Schedule of interests in mining tenements**

| Project | Country | Tenement ID | National Roll Number | Status | Equity |
|---|---|---|---|---|---|
| Cerro Verde | Chile | AGUA AMARILLA | 032010397-5 | Granted | RTE 100% |
| Cerro Verde | Chile | VISCACHA | 032011066-1 | Granted | RTE 100% |
| Cerro Verde | Chile | LINDEROS | 032011094-7 | Granted | RTE 100% |
| Cerro Verde | Chile | SERENA | 032011205-2 | Granted | RTE 100% |
| Cerro Verde | Chile | COQUIMBANA | 032010394-0 | Granted | RTE 100% |
| Cerro Verde | Chile | SIERRALTA | 032011206-0 | Granted | RTE 100% |
| Cerro Verde | Chile | MERCEDITAS | 032011546-9 | Granted | RTE 100% |
| Cerro Verde | Chile | SANTA FE | 032011220-6 | Granted | RTE 100% |
| Cerro Verde | Chile | PIMIENTA 1 al 2 | 032011474-8 | Granted | RTE 100% |
| Cerro Verde | Chile | TIFUCA | 032010262-6 | Granted | RTE 100% |
| Cerro Verde | Chile | VISCACHITA 2/7 | 032010248-0 | Granted | RTE 100% |
| Cerro Verde | Chile | VISCACHITA II | 032012081-0 | Granted | RTE 100% |
| Cerro Verde | Chile | MEJICANA | 032011780-1 | Granted | RTE 100% |
| Cerro Verde | Chile | ESPINA DE UNA FLOR | 032010585-4 | Granted | RTE 100% |
| Cerro Verde | Chile | JORGE IGNACIO 1-4 | 032011113-7 | Granted | RTE 100% |
| Cerro Verde | Chile | MARIA INES | 032011753-4 | Granted | RTE 100% |
| Cerro Verde | Chile | NUEVA ESPERANZA | 032010524-2 | Granted | RTE 100% |
| Cerro Verde | Chile | NUEVA FARELLON 1-3 | 032011024-6 | Granted | RTE 100% |
| Cerro Verde | Chile | SAN JOSE | 032010459-9 | Granted | RTE 100% |
| Cerro Verde | Chile | BUENOS AIRES | 032010124-7 | Granted | RTE 100% |
| Cerro Verde | Chile | RINCON 3-5 | 032011760-7 | Granted | RTE 100% |
| Cerro Verde | Chile | GUIAS | 032010320-7 | Granted | RTE 100% |
| Cerro Verde | Chile | VIRGEN 7 1 - 60 | 032016975-5 | Granted | RTE 100% |
| Cerro Verde | Chile | SARA I/II | 032030073-8 | Granted | RTE 100% |
| Cerro Verde | Chile | CARMEN | 032010935-3 | Granted | RTE 100% |
| Cerro Verde | Chile | CATALINA 1 1-220 | 032017287-K | Granted | RTE 100% |
| Cerro Verde | Chile | CATALINA 2 1-278 | 032017289-6 | Granted | RTE 100% |
| Cerro Verde | Chile | CATALINA 3 1-149 | 032017288-8 | Granted | RTE 100% |
| Cerro Verde | Chile | CATALINA 4 1-60 | 032018779-6 | Granted | RTE 100% |
| Cerro Verde | Chile | CATALINA 5 1-60 | 032018780-K | Granted | RTE 100% |
| Cerro Verde | Chile | CATALINA 6 1-40 | 032018781-8 | Granted | RTE 100% |
| Cerro Verde | Chile | CATALINA 7 1-40 | 032018782-6 | Granted | RTE 100% |
| Cerro Verde | Chile | CATALINA 8 1-15 | 032018783-4 | Granted | RTE 100% |
| Cerro Verde | Chile | CATALINA 9 | 03201E263-0 | Granted | RTE 100% |
| Cerro Verde | Chile | CATALINA 10 | 03201E264-9 | Granted | RTE 100% |
| Cerro Verde | Chile | CATALINA 11 | 03201E265-7 | Granted | RTE 100% |
| Cerro Verde | Chile | CATALINA 12 | 03201E266-5 | Granted | RTE 100% |
| Cerro Verde | Chile | CATALINA 13 | 03201E267-3 | Granted | RTE 100% |
| Cerro Verde | Chile | CATALINA 14 | 03201E268-1 | Granted | RTE 100% |
| Cerro Verde | Chile | CATALINA 15 | 03201E269-K | Granted | RTE 100% |
| Cerro Verde | Chile | CATALINA 16 | 03201E284-3 | Granted | RTE 100% |
| Las Opeñas | Argentina | Gladys Natalia | 194.459-A-81 | Pending | 100% |
| Las Opeñas | Argentina | San Antonio | 295.240-E-89 | Pending | 100% |
| Las Opeñas | Argentina | Nancy Noemi | 194.265-H-81 | Pending | 100% |
| Las Opeñas | Argentina | San Judas Tadeo | 14-BIS-H-46 | Granted | 100% |
| Las Opeñas | Argentina | Lila | 184.171-H-82 | Pending | 100% |
| Las Opeñas | Argentina | Patrocino | 306.498-P-88 | Pending | 100% |
| Las Opeñas | Argentina | San Jose | 306.499-P-88 | Pending | 100% |
| Las Opeñas | Argentina | Vega Redonda | 1124.354-H-07 | Pending | 100% |
| Las Opeñas | Argentina | | 306.492-H-88 | Pending | 100% |
| Las Opeñas | Argentina | | 1249-T-05 | Granted | 100% |
| Poncha | Argentina | Melinda | 1467-M-05 | Granted | RTE 100% |
| Poncha | Argentina | Colanguil | 0483-R-95 | Granted | RTE 100% |