Genesis Minerals Limited and controlled entities

ABN 72 124 772 041

Annual Financial Report and Directors' Report

for the year ended 30 June 2015

Corporate Directory

ABN 72 124 772 041

Directors
Richard Hill (Non-Executive Chairman)
Michael Fowler (Managing Director)
Damian Delaney (Non-Executive Director)

Company Secretary
Damian Delaney

Registered Office and Principal Place of Business
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Telephone: +61 8 9322 6178

Postal Address
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WEST PERTH WA 6872

Share Register
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45 St George's Terrace
PERTH WA 6000

Auditors
Bentleys
Level 1, 12 Kings Park Road
WEST PERTH WA 6005

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Email Address
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Securities Exchange Listing
Genesis Minerals Limited shares are listed on the Australian Securities Exchange (ASX code: GMD).

Contents

Chairman's Report

Dear Fellow Shareholder

I am pleased to present the Annual Report of the Company for the year ended 30 June 2015.

Genesis has continued to shift the focus of its exploration activities from South America back to Australia whilst maintaining a presence in South America. Our focus has been on the Australian gold sector where there has been a significant strengthening in the A$ gold price since the start of 2015.

During the year Genesis agreed to acquire the Ulysses Gold Project located south of Leonora in the highly prospective Eastern Goldfields of Western Australia. The Ulysses Project contains a significant gold resource that we believe has the potential for high-grade open pit development with toll treatment of the ore and low capital start-up costs. The Company believes that Ulysses can be brought into production within a 9 to 18 month timeframe with the project situated on a granted Mining Lease with no obvious impediments to mining. The Project is close to mining infrastructure which will allow toll treatment of ore from Ulysses. A Mining Study has recently commenced at Ulysses.

The acquisition of Ulysses builds on the Company's strategy to cheaply acquire low-risk gold projects with strong potential for shallow, high-grade resources capable of rapid and cheap development. This fits very well with the Viking Project where exploration during the year has identified shallow, high-grade mineralisation at the Beaker Prospect.

Genesis continues to review both advanced and early stage gold and copper projects in both Australia and South America focussing on near term cash generating opportunities.

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

Review of Operations

During the year Genesis Minerals Limited ("Genesis") has continued to shift the focus of its activities from South America back to Western Australia whilst maintaining a presence in South America. Genesis commenced exploration of the Viking Gold Project ("Viking" or "the Viking Project") in the second half of 2014 and also announced the acquisition of the Ulysses Gold Project ("Ulysses" or "the Ulysses Project") located in Western Australia in June 2015.

Ulysses Gold Project

There is excellent potential at the Ulysses Project to develop a significant mine life based on the existing resource and the estimated extensions at depth and along strike of the known resource and the adjacent exploration targets on the Ulysses mining lease. Ulysses contains a shallow JORC compliant resource of 138,000 ounces of gold (*see GMD ASX Release dated June 9, 2015*) with numerous, shallow high-grade drill intersections within the resource including:

- 13m @ 6.0g/t gold
- 9m @ 6.7g/t gold
- 9.1m @ 7.6 g/t gold
- 11m @ 5.1 g/t gold
- 8m @ 6.1 g/t gold
- 21m @ 2.0g/t gold
- 11.4m @ 3.7 g/t gold
- 12m @ 3.3 g/t gold

It is anticipated the mining study and negotiation over the toll treatment of ore from Ulysses will be completed by the end of 2016. Permitting to allow the commencement of mining activities will be ongoing during the coming months and it is expected to be completed in the first quarter of 2016. There is a significant amount of technical data available to Genesis to assist in the evaluation of the Ulysses Project.

Ulysses is centred about 30km south of Leonora and 200km north of Kalgoorlie in Western Australia (Figure 1). The Project comprises a granted mining lease and two granted exploration licences

Genesis announced the acquisition of Ulysses from a private group Ulysses Mining Pty Ltd in June 2015. The mining lease (M40/166) was the subject of a joint venture until early 2015 between St Barbara Ltd (60%) and Dalrymple/Norilsk (40%).

Ulysses is located in the minerals rich and highly prospective Eastern Goldfields of Western Australia. It is located 30km south of the Sons of Gwalia (6Moz of Production and 1.8Moz Reserve) mine and along strike of Orient Well and Kookynie mine camps (Figure 3) which have produced over 0.7Moz. It is close to world leading mining infrastructure which will allow toll treatment of ore from Ulysses.

The Ulysses Deposit was mined by Sons of Gwalia in 2002 producing 266,358 t @ 2.92 g/t Au for 24,985 Oz Au. Ore was treated at the Gwalia Treatment plant. St Barbara Limited acquired the project in April 2004 as part of the purchase of the Sons of Gwalia Gold Division.

No exploration has been completed on M40/166 since mining was completed in 2002. Exploration on the two exploration licences has been restricted to surface geochemical sampling and first pass, wide spaced drill testing. No significant exploration has occurred on the exploration licences since 2004 and numerous high priority exploration targets remain at the Project.

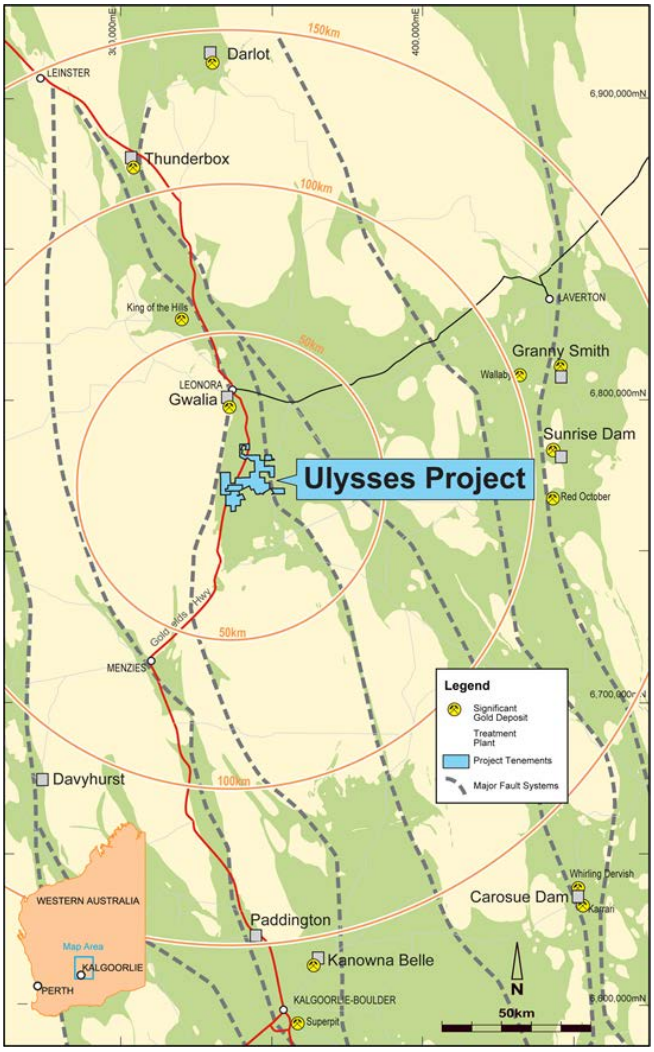

Figure 1 Project location with distance to potential treatment options

Review of Operations (continued)

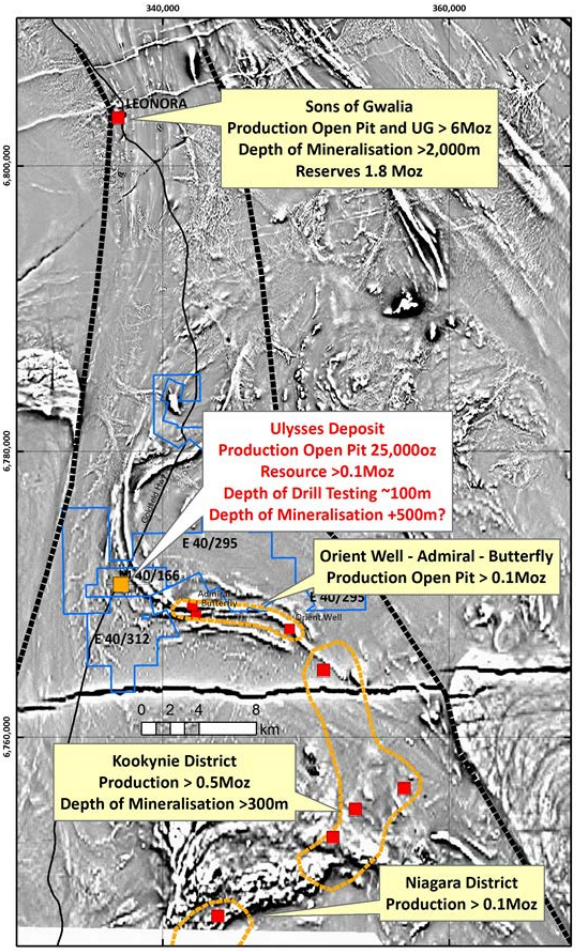

Figure 2 Ulysses Mineralised Belt

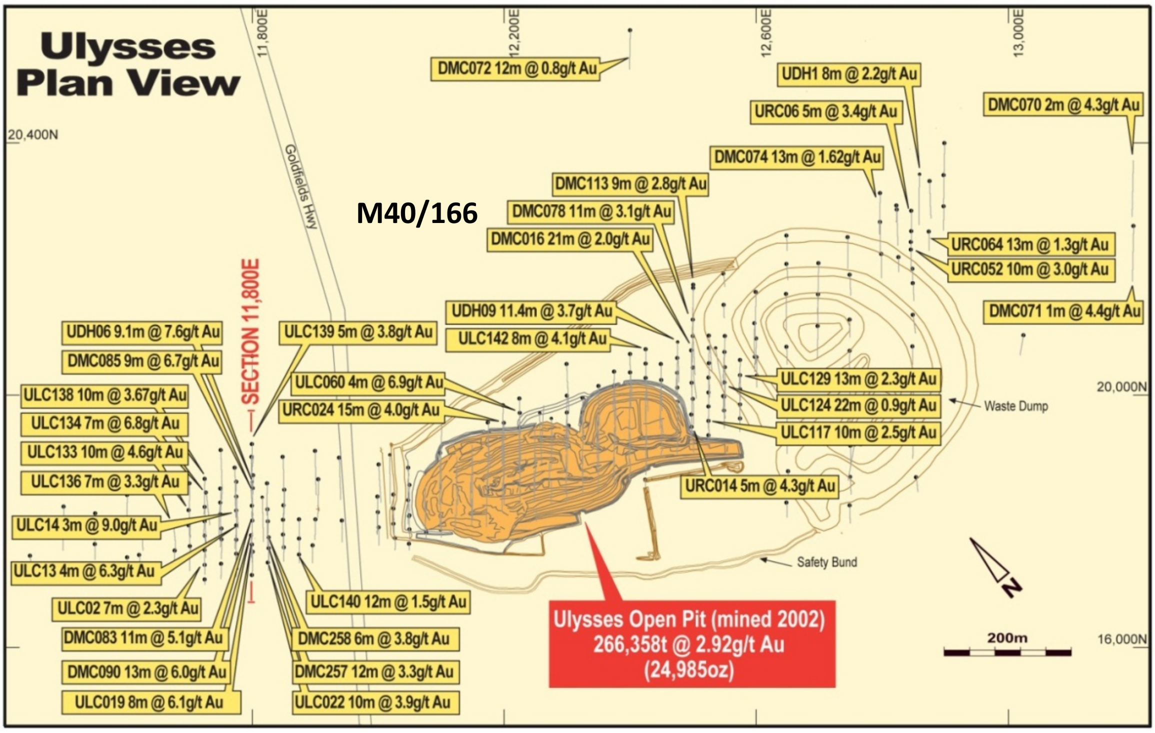

Figure 3 Ulysses deposit drill hole plan in local grid

Review of Operations (continued)

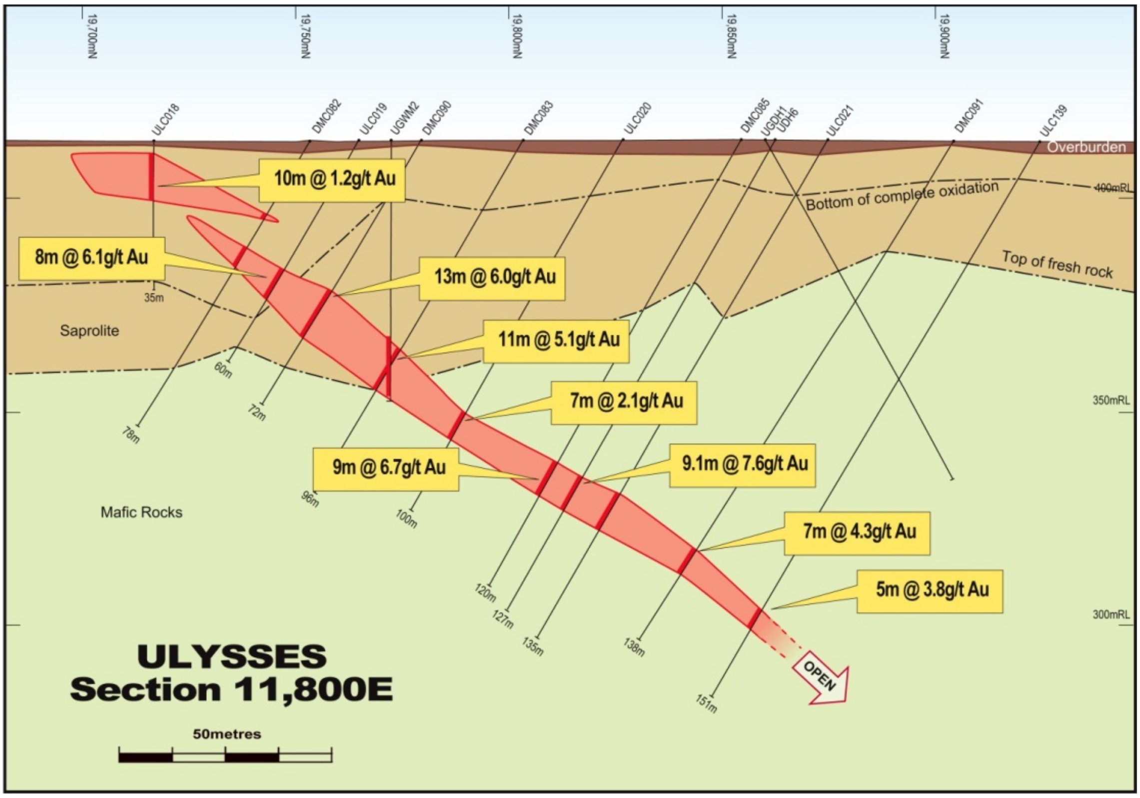

Figure 4 Ulysses Deposit Section 11,800E

Viking Project

During the year Genesis completed two RC drilling programs targeting the Beaker 4 and Beaker 2 anomalies with significant results returned from both of these prospects.

This drilling confirmed the potential to host near surface resources capable of being toll treated or potentially in a standalone scenario.

The Viking Project comprises 5 granted exploration licences that cover some 500km^2 and is located approximately 600km east of Perth and 30km south east of the town of Norseman (see adjacent Figure) in Western Australia. Access to the project area from Kalgoorlie is via the sealed Celebration and Kambalda roads to the Coolgardie–Esperance Highway to Norseman then various 4WD tracks within the Project. Access into the Viking Project is east along the old Telegraph Track, 18km south of Norseman via the Coolgardie–Esperance Highway.

The Viking Project offers Genesis the unique opportunity to define shallow, high-grade gold resources capable of being rapidly advanced towards development in a new geological terrane. Genesis has taken advantage of the high-quality +$5 million dataset and near surface drill targets that had been rapidly generated by AngloGold Ashanti between 2010 and 2013.

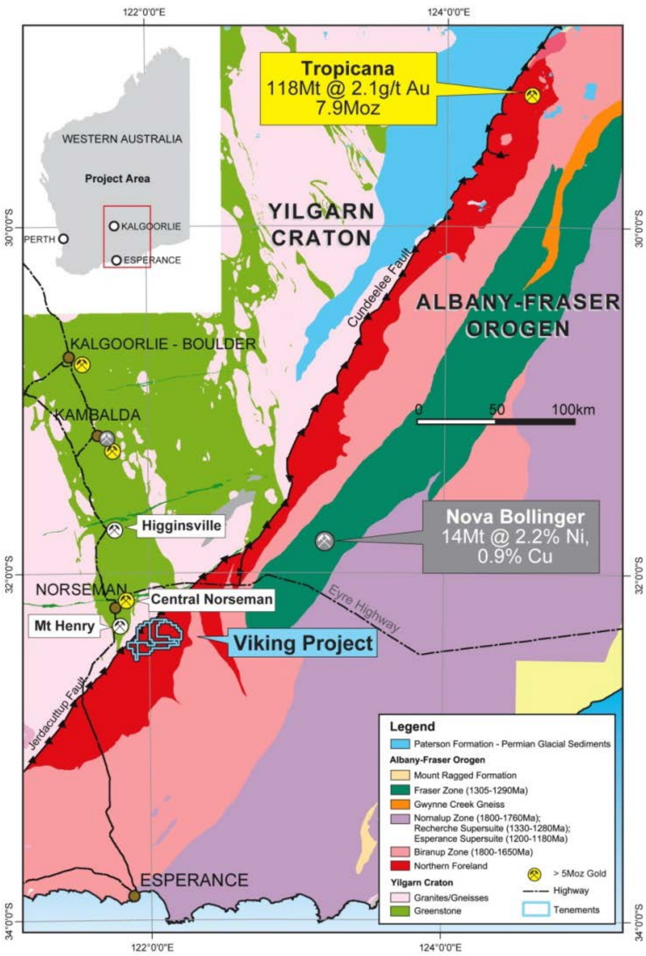

Figure 5 Viking Location

Review of Operations (continued)

Viking is close to existing under-utilised gold mills and mining infrastructure and Genesis is focussed on defining shallow gold resources capable of being rapidly and cheaply advanced towards development.

Genesis purchased Viking from AngloGold Ashanti Australia Limited during the March 2014 Quarter. The Viking Project comprises a significant landholding in the Proterozoic Albany-Fraser Orogen ("AFO") and adjoining eastern margin of the Archaean Yilgarn Craton in what is considered an emerging mineral province that has delivered the Tropicana gold and Nova-Bollinger nickel discoveries.

AngloGold Ashanti completed regional and infill auger sampling between 2010 and 2012 at Viking. The extensive and coherent Beaker Prospect was identified from this geochemical survey (see Figure 6). Beaker comprises four zones of anomalous gold (+20 ppb gold) in soil (peak 356.5 ppb gold) nested within a broad 7km by 6km anomaly (Beaker 1 through 4). Mineralised trends at Beaker are interpreted to be orientated north to north west similar to the Kalgoorlie Greenstone Terrane and north east parallel to the Albany Fraser Orogeny. Wide spaced aircore and diamond drilling by AngloGold in 2012 returned a number of highly anomalous intersections

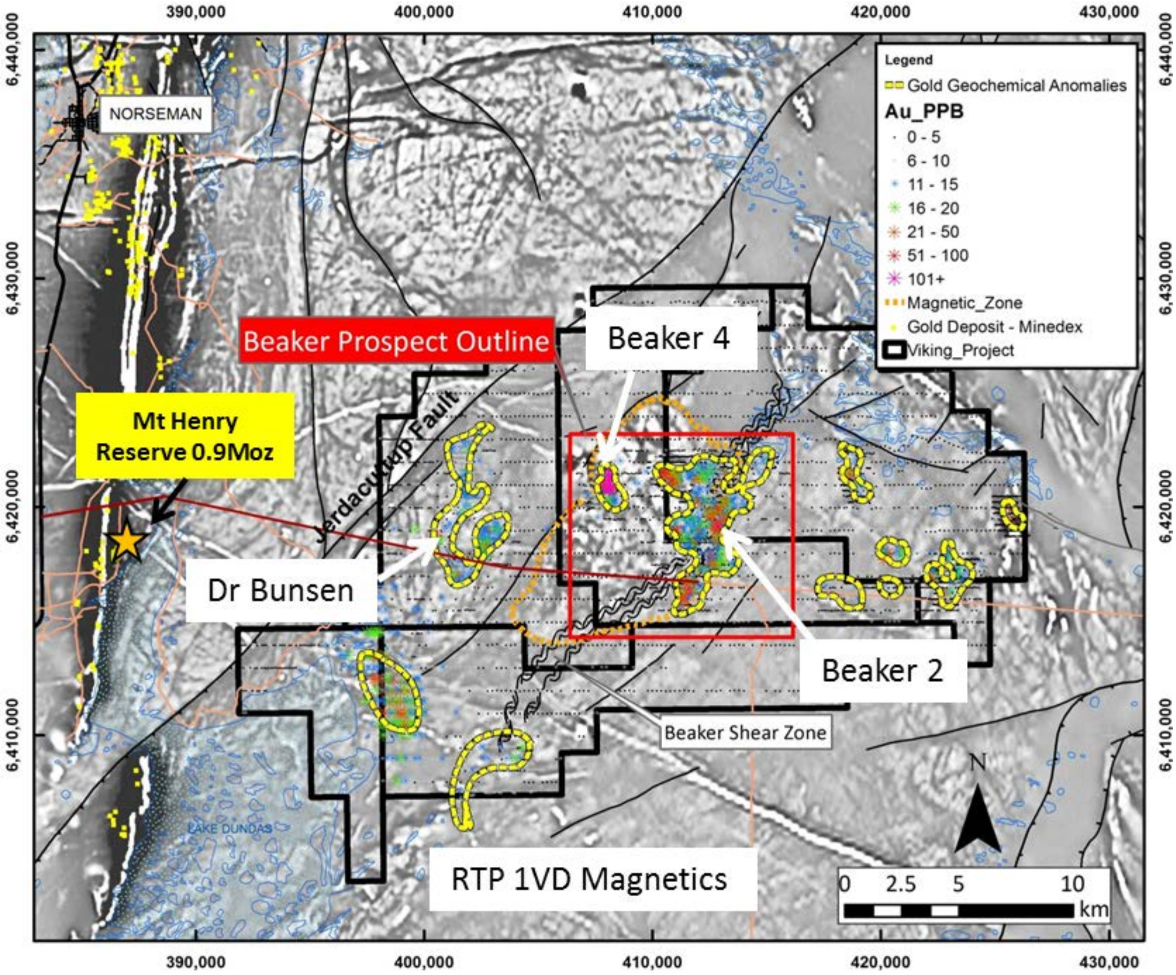

Figure 6 Prospect Locations

A number of auger defined geochemical anomalies remain to be drill tested at Viking.

RC drilling by Genesis at the aircore defined Beaker 2 gold geochemical anomaly (Figure 8) has identified a significant wide zone of near surface oxide mineralisation. Drilling in the 2nd half of 2015 will focus on this 1.5km long oxide gold zone with drilling centred on the +100m wide sub horizontal blanket of oxide mineralisation (Figure 7) (*see GMD ASX Release dated February 9, 2015 and April 8, 2015*). Future drilling over the 1.5km strike length will include shallow extensional and infill drilling to identify the limits of the oxide mineralisation as well as deeper drilling to identify the source of primary mineralisation. A resource estimate is targeted for completion soon after receipt of future drilling results (if drilling is successful).

Review of Operations (continued)

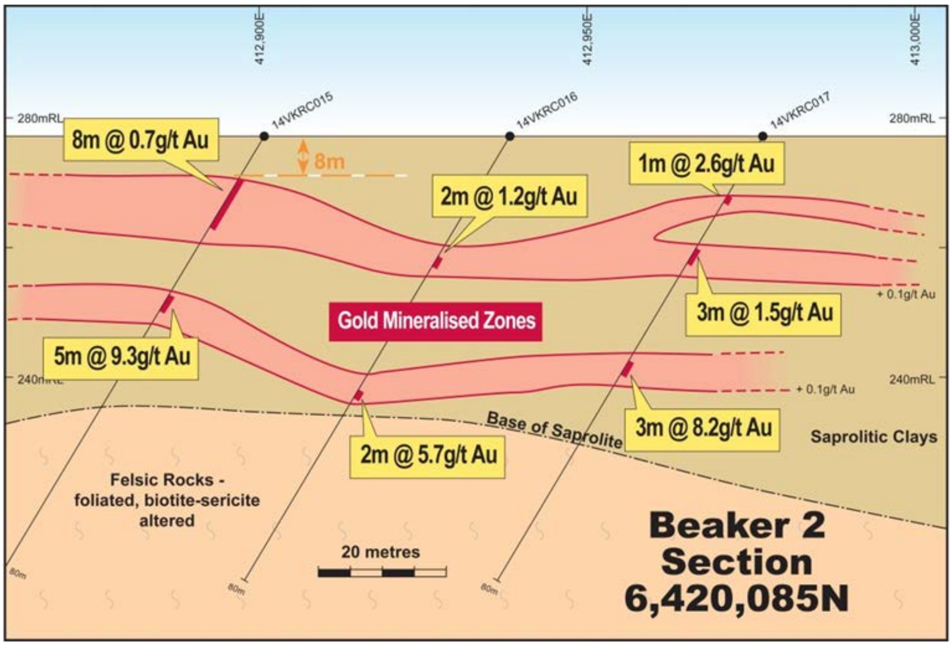

Figure 7 Beaker 2 Section

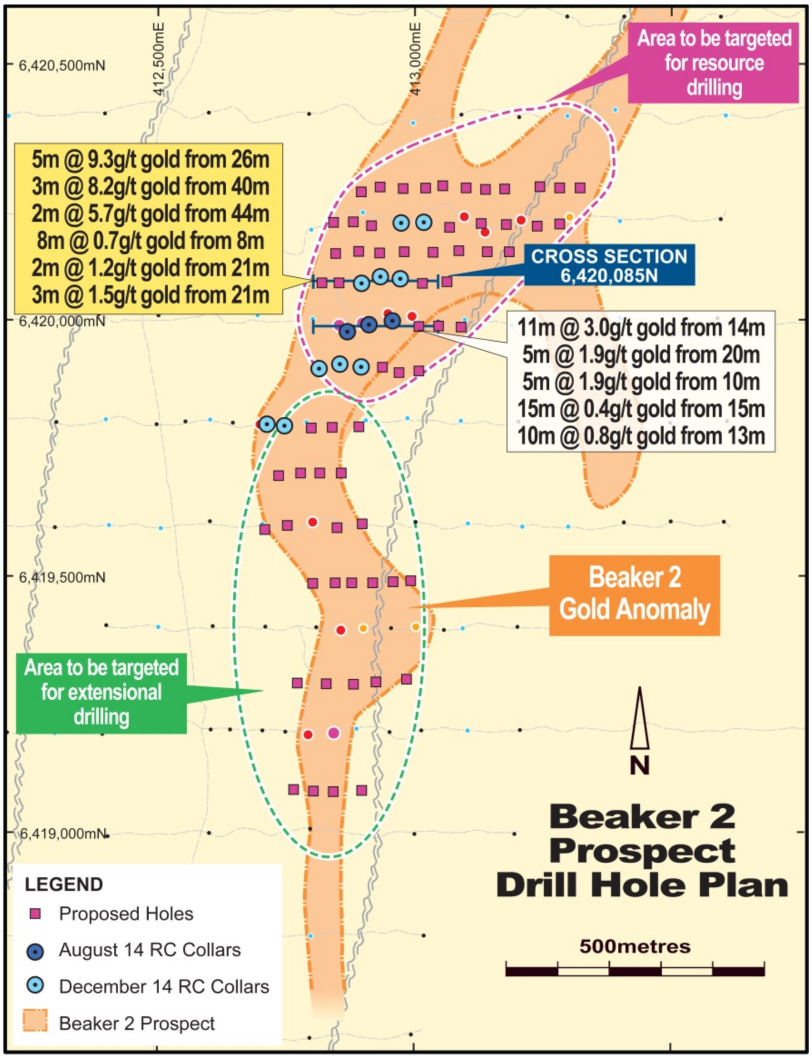

Figure 8 Beaker 2 Plan

Review of Operations (continued)

Shallow RC drilling by Genesis in 2014 targeted the western mineralised trend at Beaker 4 prospect. High-grade gold intersected from this drilling included 7m @ 4.02g/t gold from 31m and 6m @ 6.04g/t gold from 73m (includes 3m @ 11.35g/t Au). Gold mineralisation is hosted by sheared pyrite-bearing quartz veins within moderately east dipping shear zones. Mafic enclaves within the granitoids are thought to provide a rheological contrast within the competent host allowing gold mineralisation to develop. Visible gold has also been observed in drill core within these mineralised intervals. Three open ended mineralised trends (+2km) remain to be targeted by follow up RC and aircore.

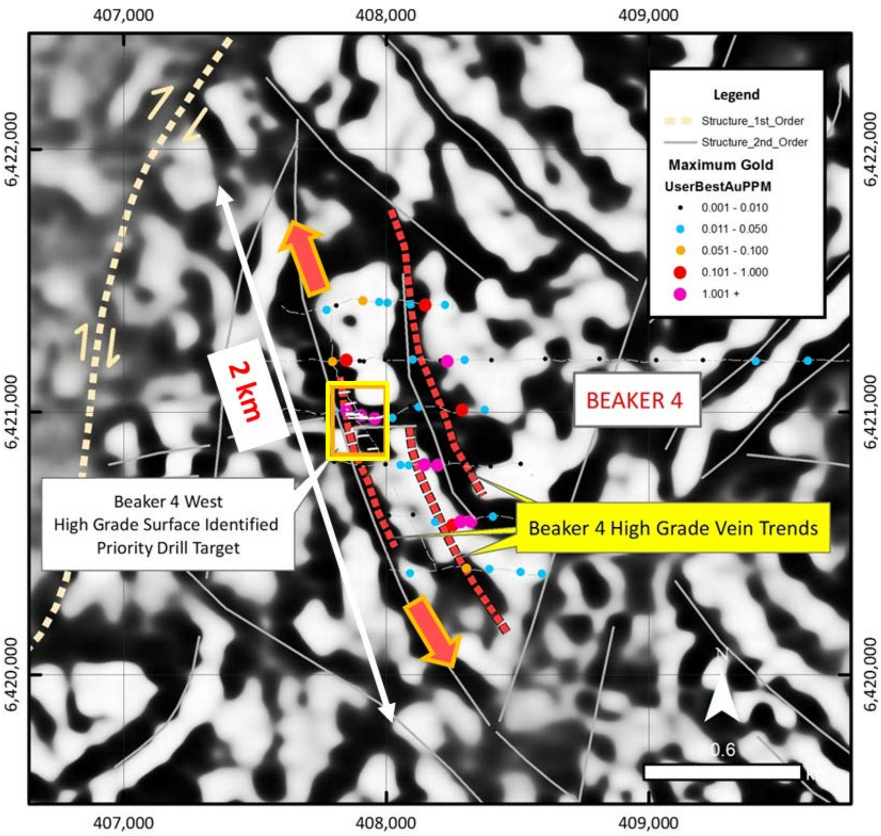

Figure 9 Beaker 4 Plan

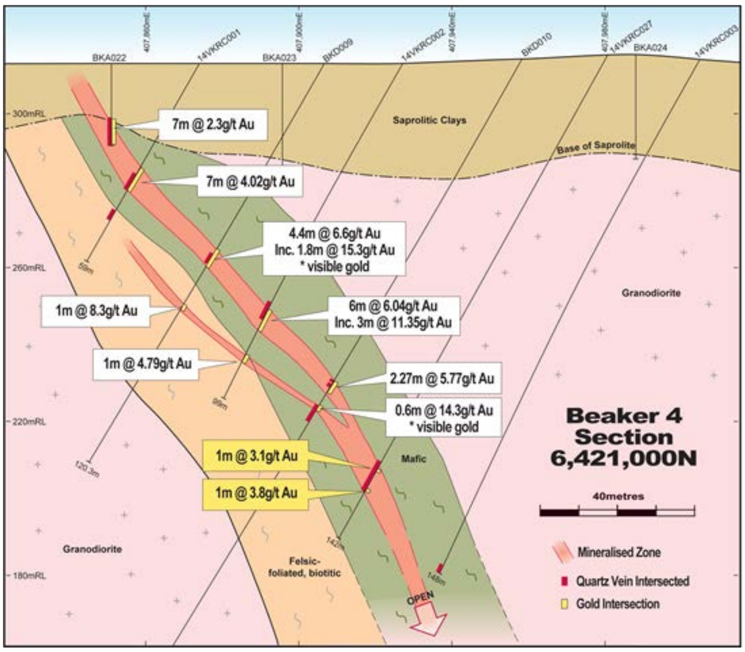

Figure 10 Beaker 4 Section

Review of Operations (continued)

Las Opeñas

Genesis has continued discussions with third parties regarding funding opportunities for further exploration at Las Opeñas as well as potential joint venture and divestment opportunities.

Alliance Projects

Genesis has delayed exploration at the Alliance Projects in San Juan. Exploration programs have been developed which will focus on the Espota high grade vein system, the Fierro Project and a geophysical survey and surface sampling program at the Castaños Project.

<u>Background</u>

Genesis has the opportunity to explore a number of early stage but highly prospective gold projects in Argentina held by Teck Argentina Ltd, a wholly owned subsidiary of Teck, being the Castaños, Espota, Fierro and Fortuna Projects (Figure 11) in San Juan, Argentina (the "Alliance Projects"). Under this arrangement (*see GMD ASX Announcements March 21, 2014 and April 29, 2014*), Genesis will have an option to earn up to a 100% interest in the Alliance Projects. Genesis intends to leverage off Teck's geological knowledge of the San Juan pre-cordillera and rapidly complete initial low-cost, exploration programs over the Alliance Projects.

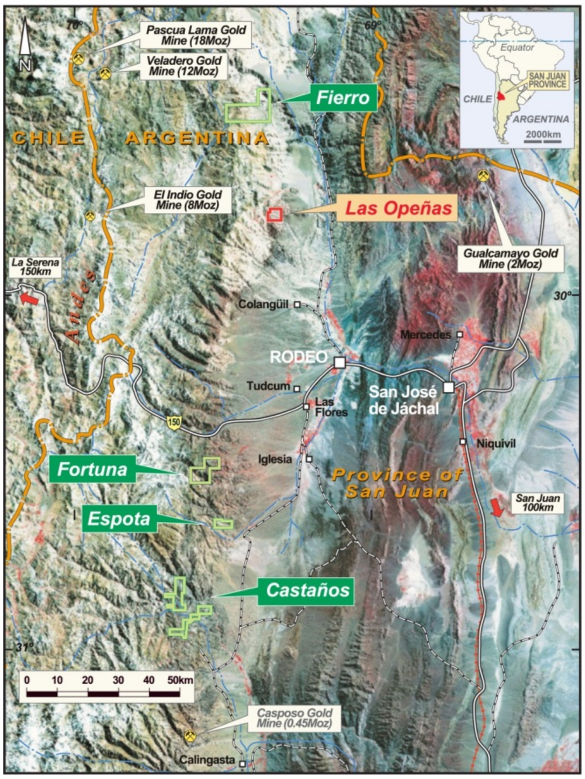

Figure 11 San Juan Project locations

COMPETENT PERSONS STATEMENTS

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

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

Directors' Report

Your directors submit their report on the consolidated entity (referred to hereafter as the Group) consisting of Genesis Minerals Limited and the entities it controlled at the end of, or during, the year ended 30 June 2015.

DIRECTORS

The names and details of the Company's directors in office during the financial year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Information on Directors

Richard Hill	Non-Executive Chairman
Qualifications	BSc (Hons), B.Juris, LLB.
Experience	Mr Hill is a qualified solicitor and geologist with over 25 years experience in the Resource Industry. During this period Mr Hill has performed roles as legal counsel, geologist and commercial manager for several mid cap Australian mining companies and more recently as founding director for a series of successful ASX-listed companies. Mr Hill was also co-founder of Resources fund, Westoria Resource Investments. During his time in the resource industry Mr Hill 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	3,198,822 fully paid ordinary shares 312,500 options expiring 10 Dec 2015 ex at 1.6 cents 312,500 options expiring 10 Dec 2016 ex at 3.2 cents
Other directorships in listed entities held in the previous three years	Mr Hill resigned as a director of Centaurus Metals Limited 2 July 2014 Mr Hill is a director of Strandline Resources Limited
Michael Fowler	Managing Director
Qualifications	BSc, MSc, MAusIMM
Experience	Mr Fowler is a geologist with 25 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	8,903,730 fully paid ordinary shares, 937,500 options expiring 10 Dec 2015 ex at 1.6 cents 937,500 options expiring 10 Dec 2016 ex at 3.2 cents
Other directorships in listed entities held in the previous three years	Mr Fowler is a director of Coventry Resources Inc.
Damian Delaney	Non-Executive Director
Qualifications	Chartered Accountant; MAICD

Directors' Report continued

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 has worked in the resource sector for the past 8 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	7,002,292 fully paid ordinary shares; 1,250,000 options expiring 10 Dec 2015 ex at 1.6 cents 1,250,000 options expiring 10 Dec 2016 ex at 3.2 cents
Other directorships in listed entities held in the previous three years	Mr Delaney is also a director Redbank Copper Ltd.

COMPANY SECRETARY

Damian Delaney

PRINCIPAL ACTIVITIES

The principal activities of the Group during the year were the acquisition of mining tenements, and the exploration of these tenements with the objective of identifying economic mineral deposits.

DIVIDENDS

No dividends were paid or declared during the year. No recommendation for payment of dividends has been made.

OPERATING AND FINANCIAL REVIEW

Finance Review

The Group has recorded an operating loss after income tax for the year ended 30 June 2015 of $1,527,678 (2014: $1,757,105).

At 30 June 2015 cash assets available totalled $110,830 (2014: $1,239,869).

The net assets of the consolidated entity decreased from $755,540 in 2014 to ($228,577) at June 30 2015. This decrease is largely due to the following factors:

- exploration of the Group's projects;
- normal operational overheads incurred in running a listed entity with an overseas subsidiary for 12 months.

Operating Review

A review of the operations of the Group during the financial year can be found on page 4 of the annual report.

Operating Results for the Year

Summarised operating results are as follows:

	2015		2014	
	Revenues $	Results $	Revenues $	Results $
Group revenues and loss from ordinary activities before income tax expense	**3,615**	**(1,527,678)**	**15,952**	**(1,757,105)**

Shareholder Returns

	2015	2014
Basic and diluted loss per share (cents)	**(0.51)**	**(0.91)**

Directors' Report continued

DIRECTORS' MEETINGS

During the financial year three meetings of directors were held. Attendances by each director during the year were as follows:

	Directors Meetings A	Directors Meetings B
Richard Hill	4	4
Michael Fowler	4	4
Damian Delaney	4	4

Notes

A – Number of meetings attended.

B – Number of meetings held during the time the director held office during the year.

SHARES UNDER OPTION

At the date of this report there are 43,250,000 unissued ordinary shares in respect of which options are outstanding.

	Number of options
Balance at the beginning of the year	23,760,596
Movements of share options during the year	
Expired on 31 Dec 2014, exercisable at 22 cents	(9,500,000)
Expired on 1 Mar 2015, exercisable at 20 cents	(13,510,596)
Expiry on 10 Dec 2015, exercisable at 1.6 cents	21,250,000
Expiry on 10 Dec 2016 exercisable at 3.2 cents	21,250,000
Total number of options outstanding as at 30 June 2015 and the date of this report	**43,250,000**

The balance is comprised of the following:

Expiry date	Exercise price (cents)	Number of options
30 November 2015	12	750,000
10 December 2015	1.6	21,250,000
10 November 2016	3.2	21,250,000
Total number of options outstanding at the date of this report		**43,250,000**

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

INSURANCE OF DIRECTORS AND OFFICERS

During or since the financial year, the company has paid premiums insuring all the directors of Genesis Minerals Limited against costs incurred in defending proceedings for conduct involving:

(a) a wilful breach of duty; or

(b) a contravention of sections 182 or 183 of the *Corporations Act 2001*,

as permitted by section 199B of the *Corporations Act 2001*.

The total amount of insurance contract premiums paid is $10,348 (2013: $12,210).

NON-AUDIT SERVICES

There were no non-audit services provided by the entity's auditor, Bentleys, or associated entities.

Directors' Report continued

RISK MANAGEMENT

The board is responsible for ensuring that risks, and also opportunities, are identified on a timely basis and that activities are aligned with the risks and opportunities identified by the board.

The Group believes that it is crucial for all board members to be a part of this process, and as such the board has not established a separate risk management committee.

The board has a number of mechanisms in place to ensure that management's objectives and activities are aligned with the risks identified by the board. These include the following:

- Board approval of a strategic plan, which encompasses strategy statements designed to meet stakeholders needs and manage business risk.
- Implementation of board approved operating plans and budgets and board monitoring of progress against these budgets.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

The Group raised $561,000 through the issue of 70,000,000 ordinary shares to institutional and sophisticated during the year. Directors, after shareholder approval, received 8,750,000 shares in lieu of $70,000 in accrued salary and directors fees. Exploration expenses of $50,000 were paid for via the issue of 6,250,000 ordinary shares.

AFTER BALANCE DATE EVENTS

On 23 July 2015 the Company had firm commitments to raise $700,000 from sophisticated and professional investors to fund further drilling at the Ulysses Project, of which $405,000 has been placed and received in cash as at the reporting date.

Subsequent to year end, the Group paid the following amounts as part of the share sale agreement to acquire 100% of Ulysses Mining Limited:

- Share consideration of $100,000 in shares issued on 14 August 2015; and
- Tranche 1 Consideration of $75,000 cash paid on 19 August 2015

As at the reporting date, the final consideration of Tranche 2, being $200,000 in cash, has not been paid pending the finalisation of final due diligence on the acquisition.

No matters or circumstances, besides those disclosed at Note 19, have arisen since the end of the financial 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.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Group expects to maintain the present status and level of operations and hence there are no likely developments in the entity's operations.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Group is subject to significant environmental regulation in respect to its exploration activities.

The Group aims to ensure the appropriate standard of environmental care is achieved, and in doing so, that it is aware of and is in compliance with all environmental legislation. The directors of the Group are not aware of any breach of environmental legislation for the year under review.

The directors have considered the National Greenhouse and Energy Reporting Act 2007 (the NGER Act) which introduces a single national reporting framework for the reporting and dissemination of information about greenhouse gas emissions, greenhouse gas projects, and energy use and production of corporations. At the current stage of development, the directors have determined that the NGER Act will have no effect on the Group for the current, nor subsequent, financial year. The directors will reassess this position as and when the need arises.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 20.

Directors' Report continued

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 2015.

VOTING AND COMMENT MADE ON THE GROUP'S 2014 ANNUAL GENERAL MEETING

The Company received 100% of “yes” votes on its remuneration report for the 2014 financial year. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

Directors' Report continued

DETAILS OF REMUNERATION

Details of the remuneration of the directors and the key management personnel of the Group are set out in the following table.

The key management personnel of the Group include the directors and company secretary as per page 13 above.

Given the size and nature of operations of the Group, there are no other employees who are required to have their remuneration disclosed in accordance with the Corporations Act 2001.

Key management personnel compensation

	2015	2014
	$	$
Short-term benefits	**263,000**	396,000
Post-employment benefits	**21,250**	25,000
Other long-term benefits	**-**	-
Termination benefits	**-**	-
Share-based payments	**84,817**	-
	369,067	421,000

Key management personnel of the Group

	Short-Term	Post Employment	Share-based Payments		Total
	Salary & Fees	Superannuation	Shares	Options	
	$	$	$	$	$
Directors					
Richard Hill					
2015	**44,500[1]**	-	**11,250**	**867**	**56,617**
2014	55,000	-	-	-	55,000
Michael Fowler					
2015	**192,500[2]**	**21,250[2a]**	**22,500**	**1,733**	**237,983**
2014	275,000	25,000	-	-	300,000
Damian Delaney					
2015	**59,000[3]**	-	**12,000**	**3,467**	**74,467**
2014	66,000	-	-	-	66,000
2015	**296,000**	**21,250**	**45,750**	**6,067**	**369,067**
2014	396,000	25,000	-	-	421,000

1. Includes unpaid amount of $18,166
2. Includes unpaid amount of $46,667; 2a. Includes unpaid amount of $4,667
3. Includes unpaid / accrued amount of $56,000

Equity instrument disclosures relating to key management personnel

(i) Options provided as remuneration and shares issued on exercise of such options

Directors received 4,375,000 options valued at $6,067 during the year. 2014:(nil).

Directors' Report continued

(ii) Option holdings

The numbers of options over ordinary shares in the Company held during the financial year by each director of Genesis Minerals Limited and other key management personnel of the Group, including their personally related parties, are set out below:

2015	Balance at start of the year	Granted as compensation	Exercised	Other changes	Balance at end of the year	Vested and exercisable
Directors of Genesis Minerals Limited						
Richard Hill	-	**625,000**	**-**	**-**	**625,000**	**625,000**
Michael Fowler	**2,027,084**	**1,250,000**	**-**	**(1,402,084)**	**1,875,000**	**1,875,000**
Damian Delaney	**4,115,001**	**2,500,000**	**-**	**(4,115,001)**	**2,500,000**	**2,500,000**
	6,142,085	**4,375,000**	**-**	**(5,517,085)**	**5,000,000**	**5,000,000**

2014	Balance at start of the year	Granted as compensati on	Exercised	Other changes	Balance at end of the year	Vested and exercisable
Directors of Genesis Minerals Limited						
Richard Hill	-	**-**	**-**	**-**	**-**	**-**
Michael Fowler	3,554,168	**-**	**-**	**(1,527,084)**	**2,027,084**	**2,027,084**
Damian Delaney	4,345,003	**-**	**-**	**(230,002)**	**4,115,001**	**4,115,001**
	7,899,171	**-**	**-**	**(1,757,086)**	**6,142,085**	**6,142,085**

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 Company entered into an Executive Service Agreement with Mr Michael Fowler.

Under the Agreement, Mr Michael Fowler is engaged by the Company to provide services to the Company in the capacity of Managing Director and CEO.

Mr Fowler was paid a salary of $275,000 per annum (plus 10% superannuation entitlement).

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

In September 20014, Mr Fowler agreed to reduce his salary to $200,000 per annum.

Share based compensation

In lieu of directors fees and salary, 8,750,000 ordinary shares were issued to key management personnel during the year ended 30 June 2015.

(iii) Share holdings

The numbers of shares in the Company held during the financial year by each director of Genesis Minerals Limited and other key management personnel of the Group, including their personally related parties, are set out below. There were no shares granted during the reporting period as compensation.

2015	Balance at start of the year	Received during the year on the exercise of options	Other changes during the year	Balance at end of the year
Directors of Genesis Minerals Limited				
Ordinary shares				
Richard Hill	**1,698,822**	**-**	**1,500,000**	**3,198,822**
Michael Fowler	**5,153,730**	**-**	**3,750,000**	**8,903,730**
Damian Delaney	**1,600,000**	**-**	**5,402,292**	**7,002,292**

Directors' Report continued

2014	Balance at start of the year	Received during the year on the exercise of options	Other changes during the year	Balance at end of the year
Directors of Genesis Minerals Limited				
Ordinary shares				
Richard Hill	**448,822**	**-**	**1,250,000**	**1,698,822**
Michael Fowler	**3,430,730**	**-**	**1,723,000**	**5,153,730**
Damian Delaney	**1,100,000**	**-**	**500,000**	**1,600,000**

(c) Loans to key management personnel

There were no loans to key management personnel during the year.

Other key management personnel transactions with Directors and Director-related entities

Some key management persons, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities.

Some of these entities transacted with the Company or its subsidiaries in the reporting period.

The following fees were incurred on normal commercial terms and conditions to the following Director related entities:

Related Parties	Transaction	Transactions value year ended 30 June		Balance outstanding as at 30 June	
		2015 **$**	**2014** **$**	**2015** **$**	**2014** **$**
R Hill – Westoria Capital Pty Ltd	Consulting Services	14,283	29,993	4,620	14,731

END OF REMUNERATION REPORT

Directors' Report continued

This Report of the Directors, incorporating the Remuneration Report, is signed in accordance with a resolution of the Board of Directors.

Michael Fowler
Managing Director
Perth, 30 September 2015

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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 for the financial year ended 30 June 2015, 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

DOUG BELL CA
Director

Dated at Perth this 30th day of September 2015

Corporate Governance Statement

In fulfilling its obligations and responsibilities to its various stakeholders, the board of directors of the Company advocates the adoption of and adherence to a framework of rules, relationships, systems and processes within and by which authority is exercised and controlled within the corporation – this is what is meant in this manual when reference is made to corporate governance. This manual outlines the Company's principal corporate governance procedures. The Board supports a system of corporate governance to ensure that the management of the Company is conducted in a manner which is directed at achieving the Company's objectives in a proper and ethical manner.

Except to the extent indicated herein, the Company has resolved that for so long as it is admitted to the official lists of the ASX it shall abide by the ASX Recommendations.

Due to the exigencies and vagaries of commercial life and changing circumstances, there will, no doubt, be occasions when, especially because of the size of the Company and the composition of its Board, that it can be expected to depart from the policies and charters which it has adopted. These policies have been adopted on the basis that, in the circumstances of the Company, they reflect what is considered to reflect a reasonable aspiration. It is not expected that these guidelines will be slavishly adhered to. Their object is to focus attention upon the issues they address and provoke thought about and awareness of those issues and the pitfalls that one could otherwise fall into inadvertently. The important thing is to develop a culture conducive only to good and appropriate conduct and practices.

Honesty and integrity must be the overriding and guiding principle in all things- substance must prevail over form and lip service. Adhering to the following policies is a condition of each contract of employment or service.

The Board encourages all key management personnel, other employees, contractors and other stakeholders to monitor compliance with this Corporate Governance manual and periodically, by liaising with the Board, management and staff; especially in relation to observable departures from the intent of hereof and with and any ideas or suggestions for improvement.

Corporate Governance Statement

PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

1.1	A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.		Information about the respective roles and responsibilities of our Board and management (including those matters expressly reserved to the Board and those delegated to management) is found under the Board Charter.
1.2	A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.		The appointment of directors is undertaken under the purveyance of the Nomination committee. The function of the Nomination Committee is to identify and recommend candidates to fill vacancies and to determine the appropriateness of director nominees for election to the Board as well as undertake appropriate checks before appointing a person to the Board. The Board recognises the benefits arising from diversity and aims to promote an environment conducive to the appointment of well qualified Board candidates so that there is appropriate diversity to maximise the achievement of corporate goals. As required under the ASX Listing Rules and the Corporations Act, election or re-election of directors is a resolution put to members at each Annual General Meeting. The notice of meeting contains all material information relevant to a decision on whether or not to elect or re-elect a director.
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.		Letters of appointment for each director and senior executive have been entered into by the Company.
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.		The company secretary reports directly to the Board through the Chairman and is accessible to all directors. The function performed by the company secretary is noted in the letter of appointment of the company secretary
1.5	A listed entity should: (a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them; (b) disclose that policy or a summary of it; and (c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either: (1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or (2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.		The Company has a Diversity policy which can be found on its website under the Corporate Governance section. The Company's Diversity policy does not include requirements for the board to set measurable objectives for achieving gender diversity and given the size and nature of the Company at this stage, the Board considers this course of action reasonable. The Company recognises that a diverse and talented workforce is a competitive advantage and that the Company's success is the result of the quality and skills of our people. Our policy is to recruit and manage on the basis of qualification for the position and performance, regardless of gender, age, nationality, race, religious beliefs, cultural background, sexuality or physical ability. It is essential that the Company employs the appropriate person for each job and that each person strives for a high level of performance. The Company has not set measurable objectives for achieving gender diversity during the reporting period of 2014 – 2015. There are no women on the Board.

Corporate Governance Statement

1.6	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.		Process for Evaluating Board Performance is detailed in the Board Charter. Information on Performance Evaluations is included in the remuneration report section of the Annual Report.
1.7	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of its senior executives; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.		A performance assessment for the Managing Director took place during the year in accordance with the Company's agreed policy. Briefly, this involved the review of the performance against agreed KPI's and feedback was received from the Board where appropriate.

PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE

2.1	The board of a listed entity should: (a) have a nomination committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.		The Board does not have a Nomination Committee. 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.

Corporate Governance Statement

<table>
<tr><td>2.2</td><td>A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</td><td></td><td>The Board has identified that the appropriate mix of skills and diversity required of its members on the Board to operate effectively and efficiently is achieved by directors having substantial skills and experience in operational management, exploration and geology, corporate law, finance, listed resource companies, equity markets.

The Board Skills matrix for the current Board is as follows:

<table>
<tr><th></th><th>Richard Hill</th><th>Michael Fowler</th><th>Damian Delaney</th></tr>
<tr><td>operational management</td><td></td><td>✓</td><td></td></tr>
<tr><td>exploration and geology</td><td>✓</td><td>✓</td><td>-</td></tr>
<tr><td>corporate law</td><td>✓</td><td>✓</td><td>✓</td></tr>
<tr><td>accounting & finance</td><td>✓</td><td>✓</td><td>✓</td></tr>
<tr><td>listed resource companies</td><td>✓</td><td>✓</td><td>✓</td></tr>
<tr><td>equity markets</td><td>✓</td><td>✓</td><td>✓</td></tr>
</table>
</td></tr>
<tr><td>2.3</td><td>A listed entity should disclose:
(a) the names of the directors considered by the board to be independent directors;
(b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and
(c) the length of service of each director.</td><td></td><td>The Company considers that Richard Hill and Damian Delaney are independent directors.
Although Damian Delaney provides services, as Company Secretary, the board considers that this does not interfere, or might reasonably be seen to interfere, with his capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the entity and its security holders generally.
Richard Hill has been a director since 13 February 2013
Michael Fowler has been a director since 16 April 2007.
Damian Delaney has been a director since 21 March 2012.</td></tr>
<tr><td>2.4</td><td>A majority of the board of a listed entity should be independent directors.</td><td></td><td>The majority of the board are independent directors.</td></tr>
<tr><td>2.5</td><td>The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.</td><td></td><td>Richard Hill is the Chairman and is an independent director. The Board believes the Chairman is the most suitable director to undertake this role. Michael Fowler is the CEO.</td></tr>
<tr><td>2.6</td><td>A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.</td><td></td><td>The Company will provide induction material for any new directors and, depending on specific requirements, will provide appropriate professional development opportunities for directors.</td></tr>
</table>

Corporate Governance Statement

PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY

3.1	A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.		Code of Conduct sets out the principles and standards which the Board, management and employees of the Company are encouraged to strive to abide by when dealing with each other, shareholders and the broad community

PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING

4.1	The board of a listed entity should: (a) have an audit committee which: (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board, and disclose: (3) the charter of the committee; (4) the relevant qualifications and experience of the members of the committee; and (5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.		The Company's Audit committee comprises all directors and is Chaired by an independent director. The Audit Committee charter is disclosed on the Company's website under the Corporate Governance link Qualifications and experience of members of the Audit Committee are found under the directors profile in both the Annual report and on the Company's website at Directors and Management Details of meetings of the audit committee are to be found in the Annual report of the company.
4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.		The CEO (Michael Fowler) provides a declaration in relation to full year and half year statutory financial reports during the reporting period in accordance with section 295A of the Corporations Act.
4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.		The audit engagement partner attends the AGM and is available to answer shareholder questions from shareholders relevant to the audit.

Corporate Governance Statement

PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE

5.1	A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.		The Company's continuous Disclosure Policy can be found under the Corporate Governance section of the Company's website

PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS

6.1	A listed entity should provide information about itself and its governance to investors via its website.		The Company's website provides information on the Company including its background, objectives, projects and contact details. The Corporate Governance page provides access to key policies, procedures and charters of the Company, such as the Board and Committee charters, securities trading policy, diversity policy and the latest Corporate Governance Statement. ASX announcements, Company reports and presentations are uploaded to the website following release to the ASX and editorial content is updated on a regular basis.
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.		A Shareholder Communication Policy can be found on the Company's website.
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.		The Company encourages shareholders to attend all general meetings of the Company and sets the time and place of each meeting to promote maximum attendance by Shareholders. The Company encourages Shareholders to submit questions in advance of a general meeting, and for the responses to these questions to addressed through disclosure relating to that meeting. The Company's Shareholder Communication Policy is disclosed on the Company's website.
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.		It is the Company's desire that shareholders receive communications electronically in the interests of the environment and constraining costs. In an endeavour to drive this objective the Company has a policy of providing hard materials at least cost (which will generally involve a black & white presentation even where the electronic version is full colour).

PRINCIPLE 7 – RECOGNISE AND MANAGE RISK

7.1	The board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.		The Board has not established a Risk committee however it does have a Risk Policy which can be found on the company's website. Risk management is specifically discussed at the Company's board meetings during the year.
7.2	The board or a committee of the board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and (b) disclose, in relation to each reporting period, whether such a review has taken place.		The Company reviews its risk management framework annually and this information is disclosed in the Annual Report.
7.3	A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.		The Company currently does not have any staff with bookkeeping and accounting skills so these tasks are undertaken by external consultants. The external consultant discusses with its external auditor each end of year and half year whether there are any issues with internal control and improvements which could be undertaken to improve them.
7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.		The Company is subject to, and responsible for, existing environmental liabilities associated with its tenements. The Company will continually monitor its ongoing environmental obligations and risks, and implement rehabilitation and corrective actions as appropriate to remain compliant. These risks may be impacted by change in Government policy. The Company does not believe it has any significant exposure to economic and social sustainability risks.

Corporate Governance Statement

PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY

8.1	The board of a listed entity should: (a) have a remuneration committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.		The Company does not have a Remuneration committee as the Company does not have any staff. The whole board considers the level and composition of remuneration for directors with reference to remuneration levels set by its peers in the mining industry.
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.		Non-executive directors and executive directors are paid amounts equivalent to the remuneration received by other non-executive directors working in similarly sized exploration companies.
8.3	A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.		The Company does not have an equity based remuneration scheme.

Consolidated Statement of Profit or Loss and Comprehensive Income

YEAR ENDED 30 JUNE 2015	Notes	2015 $	2014 $
REVENUE		**3,615**	15,952
EXPENDITURE			
Depreciation expense		**(2,238)**	(473)
Salaries and employee benefits expense		**(293,179)**	(451,586)
Exploration expenses		**(1,036,705)**	(995,148)
Corporate expenses		**(121,006)**	(143,777)
Administration costs		**(78,165)**	(168,526)
Share based payments expense		**-**	(13,547)
LOSS BEFORE INCOME TAX		**(1,527,678)**	(1,757,105)
INCOME TAX BENEFIT/(EXPENSE)	2	**-**	-
LOSS FOR THE YEAR		**(1,527,678)**	(1,757,105)
OTHER COMPREHENSIVE (LOSS)/INCOME			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		**(152,294)**	14,308
Other comprehensive (loss)/income for the year, net of tax		**(152,294)**	14,308
TOTAL COMPREHENSIVE LOSS FOR THE YEAR ATTRIBUTABLE TO MEMBERS OF GENESIS MINERALS LIMITED		**(1,679,972)**	(1,771,413)
Basic and diluted loss per share (cents per share)	9	**(0.51)**	(0.91)

The above Consolidated Statement of Profit or Loss and Comprehensive Income should be read in conjunction with the Notes to the Consolidated Financial Statements.

Consolidated Statement of Financial Position

AT 30 JUNE 2015

	Notes	2015 $	2014 $
CURRENT ASSETS			
Cash and cash equivalents	3	**110,830**	1,239,869
Trade and other receivables	4	**6,949**	8,415
TOTAL CURRENT ASSETS		**117,779**	1,248,284
NON-CURRENT ASSETS			
Plant and equipment	5	**6,433**	7,964
TOTAL NON-CURRENT ASSETS		**6,433**	7,964
TOTAL ASSETS		**124,212**	1,256,248
CURRENT LIABILITIES			
Trade and other payables	6	**287,746**	410,071
Provisions		**46,590**	58,942
TOTAL CURRENT LIABILITIES		**334,336**	469,013
Provisions		**25,829**	31,695
TOTAL NON-CURRENT LIABILITIES		**25,829**	31,695
TOTAL LIABILITIES		**360,165**	500,708
NET (LIABILITIES) / ASSETS		**(235,953)**	755,540
EQUITY			
Issued capital	7	**16,691,573**	16,009,161
Reserves	8	**1,163,407**	1,309,634
Accumulated losses		**(18,090,933)**	(16,563,255)
TOTAL (DEFICIENCY IN SHAREHOLDERS FUNDS) / EQUITY		**(235,953)**	755,540

The above Consolidated Statement of Financial Position should be read in conjunction with the Notes to the Consolidated Financial Statements.

Consolidated Statement of Changes in Equity

YEAR ENDED 30 JUNE 2015	Notes	Ordinary Share Capital $	Accumulated Losses $	Foreign Currency Translation Reserve $	Options Reserve $	Total $
BALANCE AT 1 JULY 2013		**14,440,391**	**(14,806,150)**	**111,068**	**1,170,711**	**916,020**
Loss for the year		-	(1,757,105)	-	-	**(1,757,105)**
OTHER COMPREHENSIVE LOSS						
Exchange differences on translation of foreign operations	8	-	-	14,308	-	**14,308**
TOTAL COMPREHENSIVE LOSS		**-**	**(1,757,105)**	**14,308**	**-**	**(1,742,797)**
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS						
Shares issued during the year	7	1,602,012	-	-	-	**1,602,012**
Share issue transaction costs	7	(33,242)	-	-	-	**(33,242)**
Share based payments		-	-	-	13,547	**13,547**
Sub-total		**1,568,770**	**(1,757,105)**	**14,308**	**13,547**	**(160,480)**
BALANCE AT 30 JUNE 2014		**16,009,161**	**(16,563,255)**	**125,376**	**1,184,258**	**755,540**
BALANCE AT 1 JULY 2014		**16,009,161**	**(16,563,255)**	**125,376**	**1,184,258**	**755,540**
Loss for the year		-	(1,527,678)	-	-	**(1,527,678)**
OTHER COMPREHENSIVE LOSS		-	-	-	-	
Exchange differences on translation of foreign operations	8	-	-	(152,294)	-	**(152,294)**
TOTAL COMPREHENSIVE LOSS		**-**	**(1,527,678)**	**(152,294)**		**(1,679,972)**
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS						
Shares issued during the year	7	680,000	-	-	-	**680,000**
Share issue transaction costs	7	(6,338)	-	-	-	**(6,338)**
Share based payments		8,750	-	-	6,067	**14,817**
Sub-total		**683,412**	**(1,527,678)**	**(152,294)**	**6,067**	**(991,493)**
BALANCE AT 30 JUNE 2015		**16,691,573**	**(18,090,933)**	**(26,918)**	**1,190,325**	**(235,953)**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the Notes to the Consolidated Financial Statements.

Consolidated Statement of Cash Flows

YEAR ENDED 30 JUNE 2015

	Notes	2015 $	2013 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		**(266,067)**	(471,462)
Payments for exploration expenditure		**(1,260,562)**	(995,148)
Interest received		**3,615**	15,952
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	19	**(1,523,014)**	(1,450,658)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for plant and equipment		**(189)**	171
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		**(189)**	171
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings			
Proceeds from issues of ordinary shares		**561,000**	1,602,013
Payments of share issue costs		**(7,339)**	(33,243)
NET CASH INFLOW FROM FINANCING ACTIVITIES		**553,661**	1,568,770
NET INCREASE IN CASH AND CASH EQUIVALENTS		**(969,542)**	118,283
Cash and cash equivalents at the beginning of the financial year		**1,239,869**	1,109,319
Effects of exchange rate changes on cash and cash equivalents		**(159,498)**	12,267
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	7	**110,830**	1,239,869

The above Consolidated Statement of Cash Flows should be read in conjunction with the Notes to the Consolidated Financial Statements.

Notes to the Consolidated Financial Statements continued

30 JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the Group consisting of Genesis Minerals Limited and its subsidiaries ("the Group"). The financial statements are presented in the Australian currency. Genesis Minerals Limited is a company limited by shares, domiciled and incorporated in Australia. The financial statements were authorised for issue by the directors on 30 September 2014. The directors have the power to amend and reissue the financial statements.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. Genesis Minerals Limited is a for-profit entity for the purpose of preparing the financial statements.

(i) Compliance with IFRS

The consolidated financial statements of the Genesis Minerals Limited Group also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

(ii) New and amended standards adopted by the Group

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 July 2014 affected any of the amounts recognised in the current period or any prior period and are not likely to affect future periods.

(iii) Early adoption of standards

The Group has not elected to apply any pronouncements before their operative date in the annual reporting period beginning 1 July 2014.

(iv) Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, which have been measured at fair value.

(v) Going concern

The accounts have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. The Group incurred a loss from ordinary activities of $1,527,678 for the year ended 30 June 2015 (2014: $1,757,105). Included within this loss was exploration expenditure of $1,036,705 (2014: $995,148).

The net working capital deficit position of the Group at 30 June 2015 was $216,557 (2014: $779,271 surplus).The Group has expenditure commitments relating to work programme obligations of their assets of $480,000 which could potentially fall due in the twelve months to 30 June 2016.

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 to pay its debts as and when they fall due is dependent upon the Group successfully raising additional share capital and ultimately developing one of its mineral properties.

The Directors believe it is appropriate to prepare these accounts on a going concern basis because:

- the Directors have an appropriate plan to raise additional funds as and when it is required. In light of the Group's current exploration projects, the Directors believe that the additional capital required can be raised in the market which has been evident by the Group raising $405,000 subsequent to year end as disclosed in Note 18; and
- the Directors have an appropriate plan to contain certain operating and exploration expenditure if appropriate funding is unavailable.

The Directors have prepared a cash flow forecast, which indicates that the Group will have sufficient cash flows to meet all commitments, creditor arrangements and working capital requirements for the 12 month period from the date of signing this financial report. Included in this cash flow forecast are capital raisings of $300,000 in both October and November 2015, of which the Group has received $300,000 of firm commitments.

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 Group's history of raising capital to date, and the interest in the anticipated acquisition of the Ulysses Gold Project, the directors are confident of the Group's ability to raise additional funds as and when they are required.

Should the Group not be able to successfully raise capital if required, it may be necessary to sell some of its assets, farm out exploration projects, and reduce exploration expenditure by various methods including surrendering less prospective tenements. Although the Directors believe that they will be successful in these measures, if they are not, the Group may be unable to continue as a going concern and therefore may be unable to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Notes to the Consolidated Financial Statements continued

30 JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) 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.

(c) 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 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 Statement of Profit or Loss and Other Comprehensive Income.

(d) 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 performance of the operating segments, has been identified as the full Board of Directors.

(e) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is Genesis Minerals Limited's functional and presentation currency.

(ii) Transactions and balances

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

Notes to the Consolidated Financial Statements continued

30 JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

(f) 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 assets.

(g) Income tax

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.

Notes to the Consolidated Financial Statements continued

30 JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

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:

Notes to the Consolidated Financial Statements continued

30 JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

EXPLORATION AND DEVELOPMENT EXPENDITURE

Exploration, evaluation costs are expensed as incurred.

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.

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.

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

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.

Notes to the Consolidated Financial Statements continued

30 JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

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.

Fair Value of Assets and Liabilities
The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date. As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

Valuation techniques

In the absence of an active market for an identical asset or liability, the Group selects and uses one or more valuation techniques to measure the fair value of the asset or liability, The Group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Group are consistent with one or more of the following valuation approaches:

Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

Income approach: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.

Cost approach: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks.

Notes to the Consolidated Financial Statements continued

30 JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

When selecting a valuation technique, the Group gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

Fair value hierarchy

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3

Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

The Group would change the categorisation within the fair value hierarchy only in the following circumstances:

(i) if a market that was previously considered active (Level 1) became inactive (Level 2 or Level 3) or vice versa; or

(ii) if significant inputs that were previously unobservable (Level 3) became observable (Level 2) or vice versa.

When a change in the categorisation occurs, the Group recognises transfers between levels of the fair value hierarchy (i.e. transfers into and out of each level of the fair value hierarchy) on the date the event or change in circumstances occurred.

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.

KEY ESTIMATE – TAXATION

Balances disclosed in the consolidated financial statements and the notes thereto, related to taxation, are based on the best estimates of directors. These estimates take into account both the financial performance and position of the Group as they pertain to current income taxation legislation, and the directors understanding thereof. No adjustment has been made for pending or future taxation legislation. The current income tax position represents that directors' best estimate, pending an assessment by the Australian Taxation Office.

KEY JUDGEMENT – ENVIRONMENTAL ISSUES

Balances disclosed in the consolidated financial statements and notes thereto are not adjusted for any pending or enacted environmental legislation, and the directors understanding thereof. At the current stage of the Group's development and its current environmental impact the directors believe such treatment is reasonable and appropriate.

KEY JUDGEMENT – COMPARATIVE FIGURES

When required by accounting standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Notes to the Consolidated Financial Statements continued

30 JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

When the Group applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its consolidated financial statements, a consolidated statement of financial position as at the beginning of the earliest comparative period will be disclosed.

ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

Amendments to AASBs and the new Interpretation that are mandatorily effective for the current year

In the current year, the Group has applied a number of amendments to AASBs and a new interpretation issued by the Australian Accounting Standards Board (AASB) that is mandatorily effective from an accounting period on or after 1 July 2014.

The application of these amendments and interpretation does not have any material impact on the Group's consolidated financial statements.

Standards and Interpretations in issue not yet adopted

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective.

The Group does not anticipate that there will be a material effect on the financial statements from the adoption of these standards.

Standard/Interpretation	**Effective for annual reporting periods beginning on or after**	**Expected to be initially applied in the financial year ending**
AASB 9 'Financial Instruments', and the relevant amending standards	1 January 2018	30 June 2019
AASB 15 'Revenue from Contracts with Customers' and AASB 2014-5 'Amendments to Australian Accounting Standards arising from AASB 15'	1 January 2017	30 June 2018
AASB 2014-3 'Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations'	1 January 2016	30 June 2017
AASB 2014-4 'Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation'	1 January 2016	30 June 2017
AASB 2014-6 'Amendments to Australian Accounting Standards – Agriculture: Bearer Plants'	1 January 2016	30 June 2017
AASB 2014-9 'Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements'	1 January 2016	30 June 2017
AASB 2014-10 'Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture'	1 January 2016	30 June 2017
AASB 2015-1 'Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle'	1 January 2016	30 June 2017
AASB 2015-2 'Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101'	1 January 2016	30 June 2017
AASB 2015-3 'Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality'	1 July 2015	30 June 2016
AASB 2015-4 'Amendments to Australian Accounting Standards – Financial Reporting Requirements for Australian Groups with a Foreign Parent'	1 July 2015	30 June 2016
AASB 2015-5 'Amendments to Australian Accounting Standards – Investment Entities: Applying the Consolidation Exception'	1 January 2016	30 June 2017

Notes to the Consolidated Financial Statements continued

30 JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Note that the following new Standards and Interpretations are not applicable for the Group but are relevant for the period:

AASB 14 'Regulatory Deferral Accounts' and AASB 2014-1 'Amendments to Australian Accounting Standards – Part D: 'Consequential Amendments arising from AASB 14' is not applicable to the Group as the Group is not a first-time adopter of Australian Accounting Standards.

AASB 1056 'Superannuation Entities' is not applicable to the Group as the Group is not a superannuation entity.

AASB 2015-6 'Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities' is not applicable to the Group as the Group is a for-profit entity.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 9 'Financial Instruments', and the relevant amending standards	1 January 2017	30 June 2018
AASB 1031 'Materiality' (2013)	1 January 2014	30 June 2015

30 JUNE 2015	2015 $	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:

Statement of Profit or Loss and Other 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:

Loss from continuing operations before income tax expense	**(1,527,678)**	(1,757,105)
Prima facie tax benefit at the Australian tax rate of 30%	**(458,303)**	(527,132)
Add:		
Tax effect of :		
Share-based payments	**4,445**	4,064
Expenses incurred in deriving non-assessable non-exempt income	**148,430**	298,686
Sundry items	**67**	3,630
Movements in unrecognised temporary differences	**(50,569)**	(76,339)
	(355,931)	297,090)
Tax effect of current year tax losses for which no deferred tax asset has been recognised	**355,931**	297,090
Income tax expense	**-**	-

Notes to the Consolidated Financial Statements continued

30 JUNE 2015

2. INCOME TAX EXPENSE (continued)

At 30 June 2015 Genesis Minerals Limited had unused tax losses for which no deferred tax asset has been recognised in the amount of approximately $4,166,642 (2014: $2,931,746). 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.

	2015 $	2014 $
Cash at bank and in hand	**49,009**	321,530
Short-term deposits	**61,821**	918,339
Cash and cash equivalents	**110,830**	1,239,869

Cash at bank and in hand earns interest at floating rates based on daily bank deposit rates.

Short-term deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

	2015 $	2014 $
4. TRADE AND OTHER RECEIVABLES		
Other receivables	**6,949**	8,415
	6,949	8,415

The Group expects the above trade and other receivables to be recovered within 12 months of 30 June 2015 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

Plant and equipment		
Cost	**18,543**	17,470
Accumulated depreciation	**(12,110)**	(9,506)
Net book amount	**6,433**	7,964
Plant and equipment		
Opening net book amount	**7,964**	9,333
Exchange differences	**895**	(724)
Dispoals / (Additions)	**(188)**	172
Depreciation charge	**(2,238)**	(473)
Closing net book amount	**6,433**	7,964

6. TRADE AND OTHER PAYABLES

Trade payables	**116,735**	86,794
Other payables and accruals	**163,615**	323,277
	280,350	410,071

Notes to the Consolidated Financial Statements continued

30 JUNE 2015

7. ISSUED CAPITAL

344,837,912 (30 June 2014: 259,837,912) Ordinary shares	**17,501,688**	16,821,937
Value of conversion rights - Convertible Notes	**25,633**	25,633
Share issue costs written off against issued capital	**(844,749)**	(838,409)
	16,691,573	16,009,161

MOVEMENT IN ORDINARY SHARES	No.	$
Balance at 1 July 2013	165,657,799	14,440,391
Capital Raising 27 March 2014	24,848,649	422,427
Capital Raising 14 May 2014	69,331,464	1,179,585
Less: share issue costs	-	(33,242)
Balance at 1 July 2014	**259,837,912**	16,009,161
Capital Raising October 2014	**37,500,000**	300,000
Issue January 2015	**10,000,000**	88,751
Capital raising February 2015	**37,500,000**	300,000
Less: share issue costs		(6,339)
	344,837,912	16,691,573

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

OPTIONS

(a) Options on issue	2015	2014
Exercisable at 22 cents, on or before 31 Dec 2014	**-**	9,500,000
Exercisable at 20 cents, on or before 1 Mar 2015	**-**	13,510,596
Exercisable at 12 cents, on or before 30 Nov 2015	**750,000**	750,000
Exercisable at 1.6 cents, on or before 10 Dec 2015	**21,250,000**	-
Exercisable at 3.2 cents, on or before 10 Dec 2016	**21,250,000**	-
	43,250,000	23,760,596

(b) Movements in options on issue

Beginning of the financial year	**23,760,596**	53,681,788
– Expired on 23 August 2013, exercisable at 20 cents	**-**	(75,000)
– Expired on 23 August 2013, exercisable at 20 cents	**-**	(75,000)
– Expired on 24 Nov 2013, exercisable at 31 cents	**-**	(2,400,000)
– Expired on 1 March 2014, exercisable at 15 cents	**-**	(13,510,596)
– Expired on 31 Dec 2014, exercisable at 22 cents	**(9,500,000)**	-
– Expired on 1 Mar 2015, exercisable at 20 cents	**(13,510,596)**	-
Issued during the year:		
– Exercisable at 1.6 cents, on or before 10 Dec 2015	**21,250,000**	-
– Exercisable at 3.2 cents, on or before 10 Dec 2016	**21,250,000**	-
End of the financial year	**43,250,000**	23,760,596

Notes to the Consolidated Financial Statements continued

30 JUNE 2015

7. ISSUED CAPITAL (continued)

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 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 raisings as required.

The working capital position of the Group at 30 June 2015 is ($216,557). (2014: $779,271)

8. RESERVES AND ACCUMULATED LOSSES

Nature and purpose of reserves

(i) Foreign currency translation reserve

Exchange differences arising on translation of the foreign controlled entities are taken to the foreign currency translation reserve, as described in note 1(d). The reserve is recognised in profit and loss when the net investment is disposed of.

(ii) Share-based payments reserve

The share-based payments reserve is used to recognise the fair value of options issued.

9. LOSS PER SHARE

	2015	2014
(a) Reconciliation of earnings used in calculating loss per share	$	$
Loss attributable to the owners of the Company used in calculating basic and diluted loss per share	(1,527,678)	(1,757,105)
	Number of shares	Number of shares
(b) Weighted average number of shares used as the denominator		
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted loss per share	301,591,337	193,346,503
EPS (cents per share)	(0.51)	(0.91)

10. COMMITMENTS

Exploration commitments

The Group has certain commitments to meet minimum expenditure requirements on the mineral exploration assets it has an interest in. Outstanding exploration commitments are as follows:

within one year	**480,000**	398,000
Greater than one year but less than five years	**350,000**	
	830,000	398,000

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.

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.

Notes to the Consolidated Financial Statements continued

30 JUNE 2015

11. FINANCIAL RISK MANAGEMENT (continued)

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:

	2015 $	2014 $
Financial Assets		
Cash and cash equivalents	**110,830**	1,239,869
Trade and other receivables	**6,949**	8,415
Total financial assets	**117,779**	1,248,284
Financial Liabilities		
Trade and other payables	**287,746**	410,071
Total financial liabilities	**287,746**	410,071

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.

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 conjunction 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.

Notes to the Consolidated Financial Statements continued

30 JUNE 2015

11. FINANCIAL RISK MANAGEMENT (continued)

(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 2014, the Group's Net CLP exposure was $17,552,493 (2014: ($5,979,348)) which translated to $21,124 (2014: $11,523) AUD.

Had the AUD weakened/strengthened by 10% against the CLP, there would have been a nil (2014: nil) impact on the Group's post tax losses and an immaterial movement to the Group's equity for both years.

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.

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
2015	890	(890)	890	(890)
2014	9,750	(9,750)	9,750	(9,750)

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.

(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.

There are no financial assets or liabilities which are required to be revalued on a recurring basis.

12. OPERATING SEGMENTS

Identification of reportable segments

For management purposes, the Group is organised into two main operating segments, the exploration of minerals in South America (Chile & Argentina) 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.

Notes to the Consolidated Financial Statements continued

30 JUNE 2015

12. OPERATING SEGMENTS (continued)

Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of Directors as the chief 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 the Group.

Inter-segment transactions

An internally determined transfer price is set for all inter-entity sales. This price is re-set 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 for the Group's financial statements.

Inter-segment loans payable and receivable are initially recognised at the consideration 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.

Unless indicated otherwise in the segment assets note, investments in financial assets, deferred tax assets and intangible assets have not been allocated to operating segments.

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 the Group 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 the segment:

- Head office and other administration costs.

SEGMENT PERFORMANCE

	SOUTH AMERICA		AUSTRALIA		TOTAL	
	2015	2014	2015	2014	2015	2014
	$	$	$	$	$	$
REVENUE						
Corporate interest revenue			**3,615**	15,952	**3,615**	15,952
Interest - investment						
Total segment revenue			**3,615**	15,952	**3,615**	15,952
SEGMENT RESULTS						
	(190,556)	(361,042)			**(190,556)**	(361,042)
Depreciation expense			**(129)**	(214)	**(129)**	(214)
Employee benefits expense			**(247,127)**	(451,586)	**(247,127)**	(451,586)
Share based payments			**-**	(13,547)	**-**	(13,547)
Other expenses			**(1,093,481)**	(946,668)	**(1093,481)**	(946,668)
	(190,556)	(361,042)	**(1,337,122)**	(1,396,063)	**(1,527,678)**	(1,757,105)

SEGMENT ASSETS

Segment operating assets	**50,858**	31,147			**50,858**	31,147
Other assets			**73,354**	1,225,101	**73,354**	1,225,101
Total segment assets						
	50,858	31,147	**73,354**	1,225,101	**124,212**	1,256,248

Notes to the Consolidated Financial Statements continued

30 JUNE 2015

12. OPERATING SEGMENTS (continued)

	SOUTH AMERICA		AUSTRALIA		TOTAL	
	2015	2014	2015	2015	2014	2015
	$	$	$	$	$	$
SEGMENT LIABILITIES						
Segment operating liabilities	**(4,842,330)**	(4,180,888)			**(4,842,330)**	(4,180,888)
Inter-segment eliminations			**4,778,292**	4,148,533	**4,778,292**	4,148,533
Other corporate and admin liabilities			**(296,127)**	(468,353)	**(296,127)**	(468,353)
Total segment liabilities	**(4,842,330)**	(4,180,888)	**4,482,165**	3,680,180	**(360,165)**	(500,708)

13. KEY MANAGEMENT PERSONNEL DISCLOSURES

Key management personnel compensation

	2015	2014
	$	$
Short-term benefits	**263,000**	396,000
Post-employment benefits	**21,250**	25,000
Other long-term benefits	**-**	-
Termination benefits	**-**	-
Share-based payments	**84,817**	-
	369,067	421,000

14. REMUNERATION OF AUDITORS

	2015	2014
	$	$
During the year the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms:		
Audit services		
Bentleys - audit and review of financial reports	**25,500**	25,000
Total remuneration for audit services	**25,500**	25,000

15. CONTINGENCIES

There are no contingent liabilities or contingent assets of the Group at balance date.

16. RELATED PARTY TRANSACTIONS

(a) Parent entity

The ultimate parent entity within the Group is Genesis Minerals Limited.

(b) Subsidiaries

Interests in subsidiaries are set out in note 17.

(c) 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: Key management Personnel Disclosures (KMP) and the remuneration report in the Directors' Report.

There were no other related party transactions during the year.

Notes to the Consolidated Financial Statements continued

30 JUNE 2015

17. CONTROLLED ENTITIES

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1(b):

Name	Country of Incorporation	Class of Shares	Equity Holding[1]	
			2015	2014
			%	%
Genesis Minerals (Chile) S.A.	Chile	Ordinary	**100**	100
Genesis Minerals (Argentina) SA	Argentina	Ordinary	**100**	-

(1) The proportion of ownership interest is equal to the proportion of voting power held.

18. EVENTS AFTER THE BALANCE SHEET DATE

On 23 July 2015 the Company had firm commitments to raise $700,000 from sophisticated and professional investors to fund further drilling at the Ulysses Project, of which $405,000 has been placed and received in cash as at the reporting date.

Subsequent to year end, the Group paid the following amounts as part of the share sale agreement to acquire 100% of Ulysses Mining Limited:

- Share consideration of $100,000 in shares issued on 14 August 2015; and
- Tranche 1 Consideration of $75,000 cash paid on 19 August 2015

As at the reporting date, the final consideration of Tranche 2, being $200,000 in cash, has not been paid pending the finalisation of final due diligence on the acquisition.

Apart from the above, no matters or circumstances have arisen since the end of the financial 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.

19. CASH FLOW INFORMATION

	2015	2014
	$	$
(a) Reconciliation of net loss after income tax to net cash outflow from operating activities		
Net loss for the year	**(1,527,678)**	(1,757,105)
Non-Cash Items		
Depreciation of non-current assets	**2,238**	473
Share based payments expense	**84,817**	13,547
Shares issued in satisfaction of exploration expenses	**50,000**	
Net exchange differences	**8,773**	2,765
Change in operating assets and liabilities, net of effects from purchase of controlled entities		
Decrease/(increase) in trade and other receivables	**1,578**	(3,937)
(Decrease)/increase in trade and other payables	**(124,523)**	281,727
(Decrease) / Increase in provisions	**(18,218)**	11,872
Net cash outflow from operating activities	**(1,523,014)**	(1,450,658)

(b) Non-cash investing and financing activities

There were no non-cash investing and financing activities during either the 2015 or 2014 financial years.

Notes to the Consolidated Financial Statements continued

30 JUNE 2015

20. 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 for 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 immediately
- Tranche 2 - vest on 1 November 2013
- Tranche 3 - vest on 1 November 2014

Set out below are summaries of the options granted:

	Number of options	Weighted average exercise price (cents)
Options outstanding at 30 June 2013	13,900,000	22.4
Granted during the year	-	-
Expired during the year	(3,650,000)	28.2
Options outstanding at 30 June 2014	10,250,000	21.3
Granted during the year	4,375,000	2.4
Expired during the year	(9,500,000)	22.0
Options outstanding at 30 June 2015	5,125,000	3.8

The options that were issued during the year had their price calculated by using a Black-Scholes option pricing model applying the following inputs:

	Series 1	Series 2
Grant date	08/12/14	08/12/14
Grant date fair value	$0.0014	$0.0013
Grant date share price	$0.009	$0.009
Exercise price	$0.016	$0.032
Expected volatility	83.14%	83.14%
Option life	1 year	2 years
Expiry date	10/12/15	10/12/16
Risk-free interest rate	2.31%	2.31%

Notes to the Consolidated Financial Statements continued

30 JUNE 2015

21. PARENT ENTITY INFORMATION

The following information relates to the parent entity, Genesis Minerals Limited, at 30 June 2015. The information presented here has been prepared using accounting policies consistent with those presented in Note 1.

	2015 $	2014 $
Current assets	**73,162**	1,224,779
Non-current assets	**193**	321
Total assets	**73,355**	1,225,100
Current liabilities	**(270,299)**	(436,658)
Non-current liabilities	**(25,829)**	(31,695)
Total liabilities	**(296,128)**	(468,353)
Issued capital	**16,667,573**	15,985,161
Share-based payments reserve	**1,207,329**	1,184,278
Accumulated losses	**(18,097,675)**	(16,412,692)
Total (deficiency in shareholders funds) / equity	**(222,773)**	756,747
Loss for the year	**(1,684,983)**	(1,749,791)
Total comprehensive loss for the year	**(1,684,983)**	(1,749,791)

The parent entity did not have any contingent liabilities, or any contractual commitments for the acquisition of property, plant and equipment, as at 30 June 2014 or 30 June 2015.

Directors' Declaration

In the directors' opinion:

(a) the financial statements and notes set out on pages 29 to 51 are in accordance with the *Corporations Act 2001*, including:

(i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

(ii) giving a true and fair view of the Group's financial position as at 30 June 2015 and of its performance for the financial year ended on that date;

(b) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable; and

(c) a statement that the attached financial statements are in compliance with International Financial Reporting Standards has been included in the notes to the financial statements.

The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the *Corporations Act 2001*.

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

Michael Fowler
Managing Director

Perth, 30 September 2015

Independent Auditor's Report

To the Members of Genesis Minerals Limited

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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 statement of financial position as at 30 June 2015, and the statement of profit or loss and other comprehensive income, statement of changes in equity and 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 of the financial report that gives a true and fair view 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 gives a true and fair view and 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 of the financial report that gives a true and fair view 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 have complied with the independence requirements of the Corporations Act 2001.

Opinion

In our opinion:

a. The financial report of Genesis Minerals Limited 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 2015 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 statements also comply with *International Financial Reporting Standards* as disclosed in Note 1.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1a(v) in the financial report which indicates that the Consolidated Entity incurred a loss after tax of $1,527,678 during the year ended 30 June 2015. This condition, along with other matters as set forth in note 1a(v), 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 the directors' report for the year ended 30 June 2015. 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.

Opinion

In our opinion, the Remuneration Report of Genesis Minerals Limited for the year ended 30 June 2015, complies with section 300A of the *Corporations Act 2001*.

Bentleys

BENTLEYS
Chartered Accountants

DOUG BELL CA
Director

Dated at Perth this 30th day of September 2015

ASX Additional Information continued

Additional information required by Australian Stock Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 29 September 2015.

(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	15	788
1,001	-	5,000	27	90,085
5,001	-	10,000	47	404,962
10,001	-	100,000	241	10,195,631
100,001		and over	236	384,337,912
			565	**395,337,912**

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:

Rank	Name	Units	% of Units
1	MR MICHAEL GEORGE FOTIOS <MICHAEL FOTIOS FAMILY A/C>	22,314,415	5.64
2	BOTSIS HOLDINGS PTY LTD	21,764,706	5.51
3	TECK RESOURCES LIMITED	16,321,283	4.13
4	BJM SUPERANNUATION FUND A/C	14,800,000	3.74
5	MGB SUPERANNUATION FUND A/C	14,750,000	3.73
6	MR DENIS JOHN REYNOLDS	12,000,000	3.04
7	INVESTMET LIMITED	11,945,383	3.02
8	MR ROBERT JOHN SMITH	11,400,000	2.88
9	WYLLIE GROUP PTY LTD	9,747,224	2.47
10	VIRIDIAN ASSET HOLDINGS PTY LTD <VIRIDIAN VALUE FUND A/C>	8,683,402	2.2
11	MR GRANT POVEY	8,167,052	2.07
12	WESTORIA RESOURCE INVESTMENTS LTD	7,121,324	1.8
13	SHARIC SUPERANNUATION PTY LTD <FARRIS SUPER FUND A/C>	6,961,889	1.76
14	MR DAMIAN PAUL DELANEY	6,400,000	1.62
15	MANAFIELD HOLDINGS PTY LTD	6,250,000	1.58
16	RESOURCE ASSETS PTY LTD	6,000,000	1.52
17	ARGONAUT EQUITY PARTNERS PTY LIMITED	5,535,939	1.4
18	MR ANDREW WILLIAM SPENCER <SPENCER SUPER FUND A/C>	5,422,480	1.37
19	ARGONAUT SECURITIES (NOMINEES) PTY LTD	5,000,000	1.26
20	ORANGE CORPORATION PTY LTD <THE SAINT GEORGE A/C>	5,000,000	1.26
Totals: Top 20 holders of ORDINARY FULLY PAID SHARES (TOTAL)		**205,585,097**	**52**
Total Remaining Holders Balance		**189,752,815**	**48**

ASX Additional Information continued

(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

(d) Voting rights

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

(e) Unquoted Securities

As at 29 September 2015, the Company has a total of unlisted options as follows:

Number of Options	Number of Holders	Exercise Price	Expiry Date
21,250,000	31	$0.016	10/12/2015
21,250,000	31	$0.032	10/12/2016
750,000	1	$0.12	30/11/2015
23,760,596	**32**		

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

Unlisted options exercisable at $0.12 expiring on 30/11/215	No of Options Held	% Held
Mr S Mandujano	750,000	100%

(f) Schedule of interests in mining tenements

Project	Country	Tenement Name	Tenement ID	Retain Right To Earn	Interest
Viking	Australia		E63/1085		100%
Viking	Australia		E63/1086		100%
Viking	Australia		E63/1087		100%
Viking	Australia		E63/1196		100%
Viking	Australia		E63/1198		100%
Ulysses	Australia		M40/166	RTE 100%	
Ulysses	Australia		E40/295	RTE 100%	
Ulysses	Australia		E40/312	RTE 100%	
Las Opeñas	Argentina		1249-T-05		100
Espota	Argentina	Moria	414.537-T-04	RTE 100%	0
Espota	Argentina	Tocota	414.577-T-2004	RTE 100%	0
Fierro	Argentina	Fierro 2	425.342-T-03	RTE 100%	0
Fierro	Argentina	Fierro 1	425.343-T-03	RTE 100%	0
Fortuna	Argentina		1124.022-T-2014	RTE 100%	0
Fortuna	Argentina		425.450-T-03	RTE 100%	0
Castaños	Argentina		1124.208-T-09	RTE 100%	0
Castaños	Argentina		041124.208-T-09	RTE 100%	0
Castaños	Argentina		1124.609-T-10	RTE 100%	0
Castaños	Argentina		414.138-T-04	RTE 100%	0
Castaños	Argentina		414.137-T-04	RTE 100%	0