Genesis Minerals Limited and controlled entities

ABN 72 124 772 041

Annual Financial Report and Directors' Report

for the year ended 30 June 2016

Corporate Directory

ABN 72 124 772 041

Directors
Richard Hill (Non-Executive Chairman)
Michael Fowler (Managing Director)
Darren Gordon (Non-Executive Director)

Company Secretary
Geoff James

Registered Office and Principal Place of Business
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WEST PERTH WA 6005
Telephone: +61 8 9322 6178

Postal Address
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WEST PERTH WA 6872

Share Register
Computershare Investor Services Pty Ltd
Level 11, 172 St Georges Terrace
PERTH WA 6000

Auditors
Bentleys
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PERTH WA 6000

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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 2016.

In our Annual Report last year we stated that Ulysses could be brought into production within a 9 to 18 month timeframe. We are well on track to achieve this target with Genesis about to embark on a period of significant activity with the imminent start of mining at our Ulysses Project in WA and the ramp-up of exploration programs at both the Ulysses and Viking Projects.

As set out in the ASX announcement dated 9 August 2016, the Ulysses West pit at Ulysses is forecast to generate strong financial returns with total estimated free cash-flow of approximately $6 million from the initial 5-month Ulysses West pit (based on a gold price of A$1,750 per ounce).

While relatively modest, this is a project which is well within our current capabilities and which will generate a significant amount of cash with minimal upfront outlay. Once it has concluded, we expect to have a net cash position of $7- 9 million, putting the Company in a strong position to progress its longer term growth strategy.

Genesis entered into a Mining Alliance with highly respected mining contractor, SMS Innovative Mining Pty Ltd in August 2016. Under this arrangement, SMS will provide a mixture of equity and debt funding for the Ulysses West Project, significantly reducing development and funding risk. We look forward to working closely with SMS to unlock the value of Ulysses and potentially other projects.

The cash-flow generated at Ulysses will allow us to ramp-up exploration activities both at Ulysses and at the highly prospective Viking exploration project, located near Norseman in the Albany-Fraser Province of WA.

The key objectives of the upcoming exploration programs are to:

- Grow the resource inventory at Ulysses and identify additional low-risk open pit mining opportunities which can be pursued in a similar manner to Ulysses West; and
- Make a company-changing gold discovery at either Ulysses or Viking, with the Viking tenements in particular offering outstanding discovery potential in a highly prospective emerging gold province.

In summary, we see the Ulysses West open pit as providing a clear pathway for Genesis to become a self-funding explorer/developer in the gold sector in WA, with the ability to unlock further value from our high quality ground-holdings located in the heart of WA's world-renowned Yilgarn Craton and the Albany-Fraser Orogen, as well as potentially taking advantage of other opportunities in the Australian gold sector.

We are also looking forward to a steady flow of results from exploration activities both at Ulysses and Viking, which should be in full swing by October.

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

In February 2016 Genesis Minerals Limited ("Genesis") completed the acquisition of the Ulysses Gold Project ("Ulysses" or "the Ulysses Project") located in Western Australia. Since this time activities completed on the Ulysses Project during the year included exploration and resource definition drilling, a resource estimation and the completion of a feasibility study on open pit mining at Ulysses. Exploration activities also continued at the Viking Project which is located 220km south east of Kalgoorlie.

ULYSSES GOLD PROJECT

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

Ulysses is located in the minerals rich and highly prospective Eastern Goldfields of Western Australia. It is located south of the Sons of Gwalia (+6Moz of Production and 1.8Moz Reserve) mine and along strike of Orient Well and Kookynie mine camps which have produced over 0.7Moz. It is close to world leading mining infrastructure which allows 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.

Until recently no exploration had been completed on M40/166 since mining was completed in 2002 and no significant exploration has occurred on the surrounding exploration licences since 2004. Numerous high priority exploration targets remain at the Ulysses Project.

Exploration Activities

Exploration drilling outside of the resource definition drilling for the feasibility study included aircore (AC) drilling targeting new open pittable resources and reverse circulation (RC) targeting depth and strike extensions to the Ulysses Mineral Resource.

Aircore Drilling

Wide spaced AC (139 holes for 6,063m) drilling during the year returned (see Figure 2) significant new gold zones at Ulysses East and Ulysses West which have been identified outside of the existing Mineral Resource.

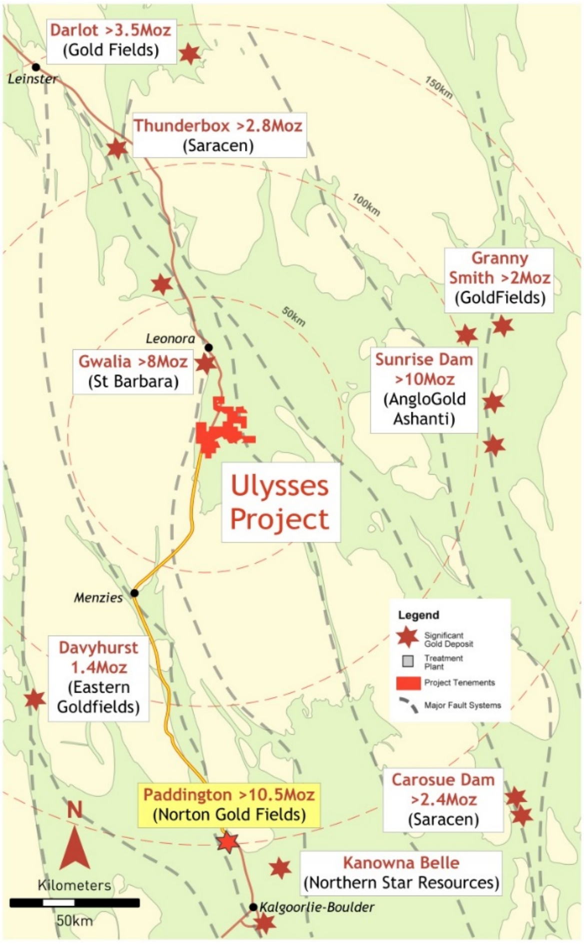

Figure 1 Ulysses Location

The zones were identified in a program that was designed to test immediate strike extensions to the Ulysses Mineral Resource and other strongly gold anomalous geochemical and structural targets in the area.

Significant shallow gold intersections (see Figure 2 and GMD ASX release dated June 27, 2016) from the wide spaced aircore drilling included;

- 10m @ 1.48 g/t gold from 0m in hole 16USAC136
- 5m @ 0.76 g/t gold from 45m in hole 16USAC035
- 8m @ 0.70 g/t gold from 60m in hole 16USAC072
    - includes 3m @ 1.6 g/t gold to the end of hole
- 5m @ 0.56g/t gold from 40m in hole 16USAC057
- 20m @ 0.22g/t gold from 0m in hole 16USAC036

A significant mineralised corridor over 1.5km of strike was identified at Ulysses East, which to date has only been poorly tested and further follow up is planned to evaluate this corridor which has high potential to define resources capable of being mined by open pit methods.

Review of Operations

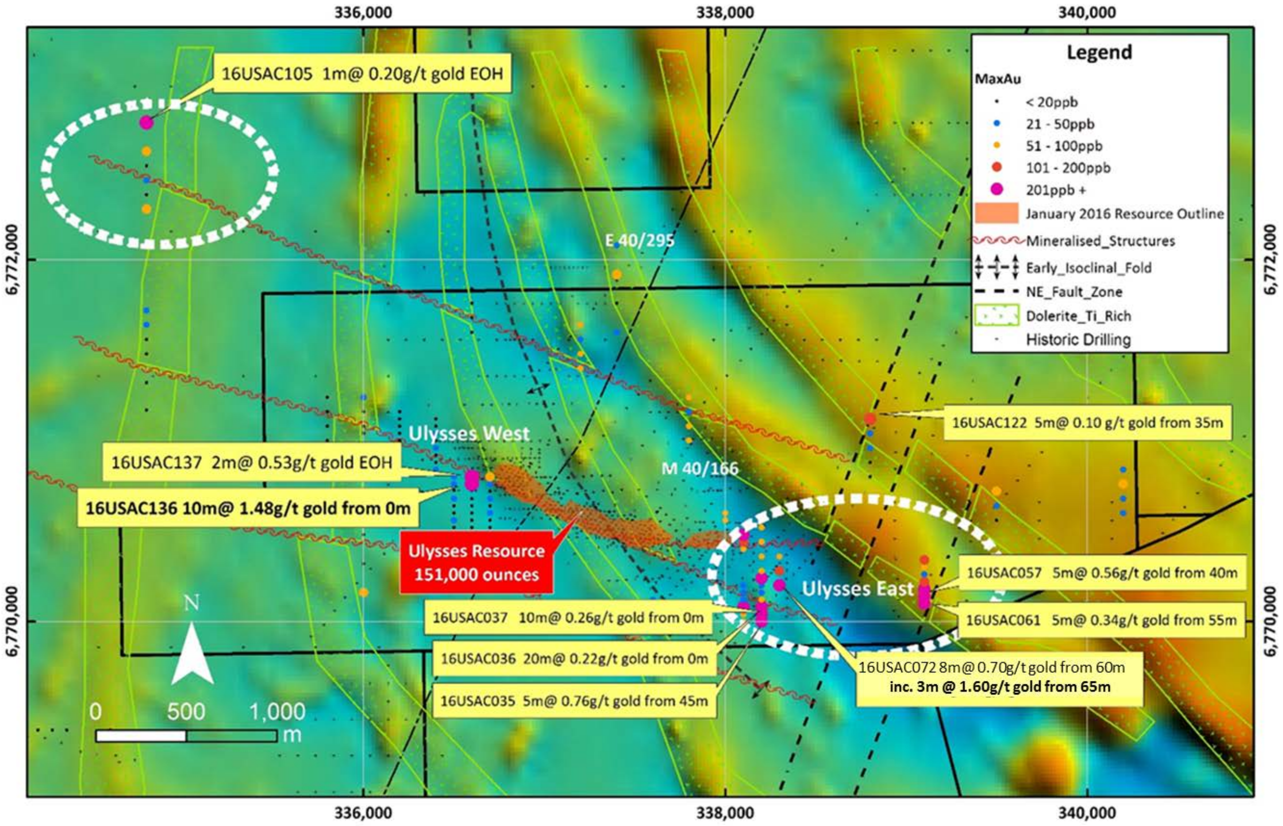

Figure 2 Drill results from recent aircore drilling at Ulysses.

Significant shallow mineralisation was intersected at Ulysses West in hole 16USAC136 which returned 10m @ 1.48 g/t gold from 0m. The mineralisation is interpreted to dip to the north, subparallel to the main Ulysses shear zone with hole 16USAC137 (located 40m north of Hole 16USAC136) returning 2m @ 0.53g/t gold from 20m to the end of the hole. This intersection is located ~100m to the WSW of the Ulysses West resource.

This area has now been identified as an area of high priority for follow up drilling in the coming months with excellent potential to define additional open pittable resources in the immediate vicinity of the Ulysses West resource.

Hole 16USAC105 located ~2.5km north west of the Ulysses Resource returned 1m @ 0.2g/t gold at the bottom of the hole. This intersection opens up a significant area of untested greenstone belt that requires follow up drilling.

Reverse Circulation Drilling

A total of 13 holes for (2,066m) of RC drilling (see Figure 4) was completed during the year targeting potential high grade shoots beneath the Ulysses Mineral Resource. The positions of potentially north plunging high-grade gold shoots which are interpreted to result from the intersection of the WNW-trending Ulysses shear zone where it cuts across favourable lithologies in the (locally) NW-trending mafic sequence.

Results from the RC program (see GMD ASX release dated May 9, 2016 and GMD ASX release dated July 18, 2016) included:

- **2m @ 9.00g/t gold** from 152m in 16USRC048
- 3m @ 2.74g/t gold from 155m in 16USRC045
- 2m @ 1.85g/t gold from 142m in 16USRC047
- 6m @ 4.5g/t gold from 120m in 16USRC054
  - **Includes 3m @ 7.8 g/t gold**
- 13m @ 2.2g/t gold from 115m in 16USRC055
  - **Includes 5m @ 3.8 g/t gold**
- 7m @ 1.5g/t gold from 108m in 16USRC056

Review of Operations

- 2m @ 4.2g/t gold from 115m in 16USRC053 (hanging wall to main zone)
- 1m @ 5.3g/t gold from 163m in 16USRC052

Holes 16USRC054 to 16USRC056 intersected mineralisation within the preferred Ti-rich dolerite host rock with mineralisation associated with biotite and pyrite altered zones with variable amounts of quartz veining.

Importantly, these intersections are located at shallow depths and confirm a large prospective area for future resource expansion **(+500m of strike in this zone and open at depth)** at Ulysses and continue to enhance the potential to develop a future underground operation.

The base of the Ulysses Mineral Resource is ~100m below surface (Figure 3) with no drilling completed beneath the pit since 2001 until this recently completed program.

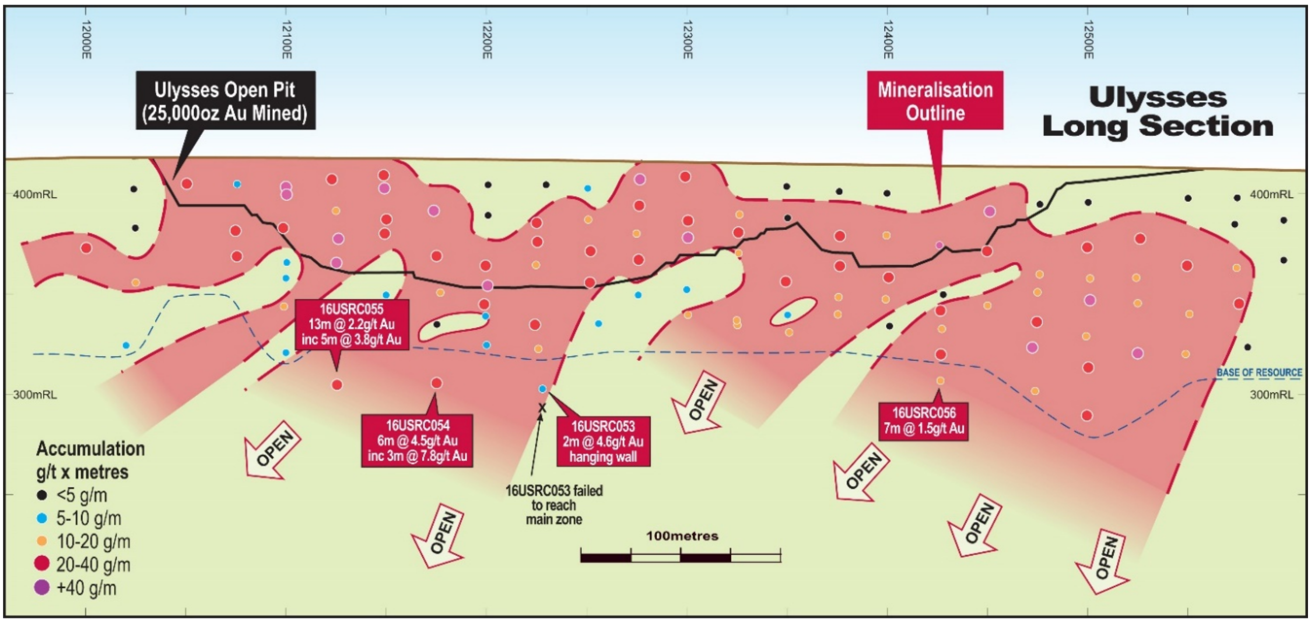

Figure 3 - Long section of Ulysses Resource looking north highlighting the main Ulysses mineralized zone.

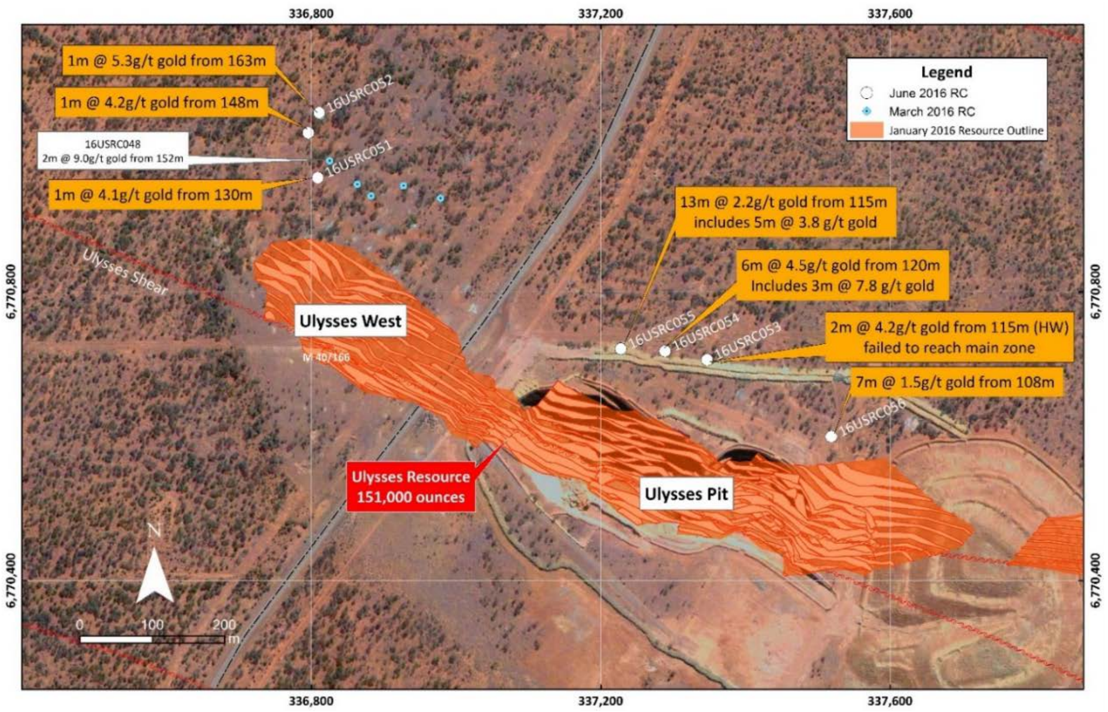

Figure 4 Ulysses RC Drilling 2016

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Resource Estimate

The Ulysses Mineral resource (see Figure 4 for location) was updated during the year to include infill and confirmatory drilling data generated during the 2nd half of 2015. The combined Ulysses Indicated and Inferred Mineral Resource now stands at 2.13 Mt @ 2.2 g/t gold for 151,500 ounces of gold, an increase of 10% in contained ounces over the 2012 Mineral Resource (see Table 1 and GMD ASX Release dated February 1, 2016).

Table 1 Ulysses Mineral Resource Summary - January 2016 (0.75g/t gold lower cut off)

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

Of the 151,500 ounces in the Ulysses Mineral Resource, 80% (or 122,500 ounces) is classified as Indicated Mineral Resource and twenty percent, or almost 29,000 ounces is classified as Inferred Mineral Resource. The majority of infill drilling completed by Genesis and used in the Mineral Resource upgrade occurred to the west of the Goldfields Highway at Ulysses West. This drilling confirmed the tenor and extent of the shallow, high-grade mineralisation. It is clear that the western portion of the deposit has substantial areas of high-grade mineralisation which remain open down plunge and along strike. The deposit remains open and untested along its 1.5km strike length and drilling to increase the size of the Mineral Resource is a priority.

Feasibility Study and Ore Reserve

A feasibility study on the viability of open pit mining was completed on the Ulysses Mineral Resource. The Ulysses West pit is based on a recently completed Feasibility Study that demonstrates a technically and commercially viable open pit mining project at Ulysses West based on toll treatment of the ore and contract open pit mining and ore haulage. A Probable Ore Reserve of 74,000 tonnes @ 4.1g/t gold for 9,700 contained ounces has been estimated within the Ulysses West open pit design which is scheduled to take 3 months to mine (see GMD ASX release dated August 9, 2016). The Feasibility Study used to generate the Ore Reserves utilised the January 2016 Ulysses Mineral Resource.

Table 2 Ulysses Ore Reserve Summary – August 2016

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

Note: Rounding errors may occur

The Feasibility Study completed by Genesis to convert the western portion of the Ulysses Mineral Resource to Ore Reserves was carried out appropriate to the Ulysses deposit type, open pit mining method and the scale of the proposed operation. A financial model was developed with sensitivities applied to all key inputs and assumptions, which is appropriate to the level of the study undertaken. Undiscounted cash flows remained positive for all of the key sensitivities conducted including gold price, combined toll treatment and haulage costs and ore grade.

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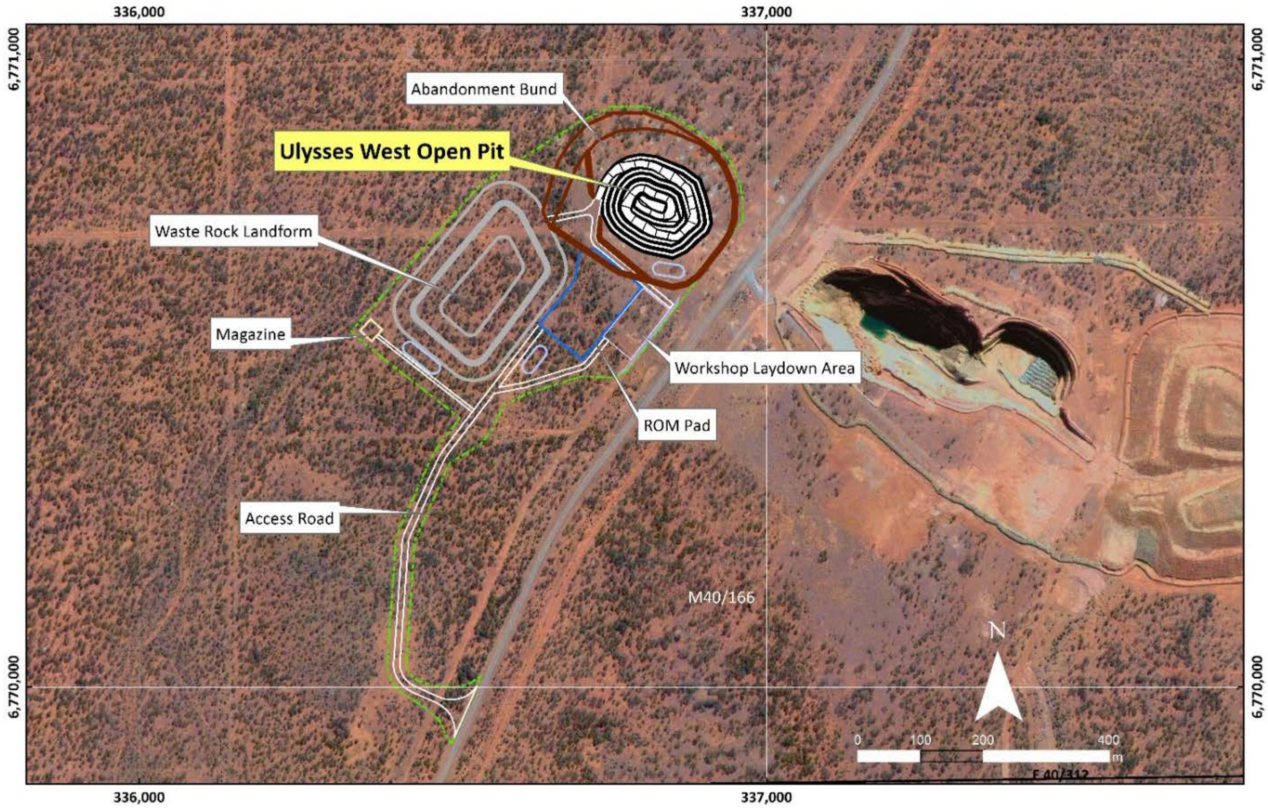

Figure 5 Location map showing site layout

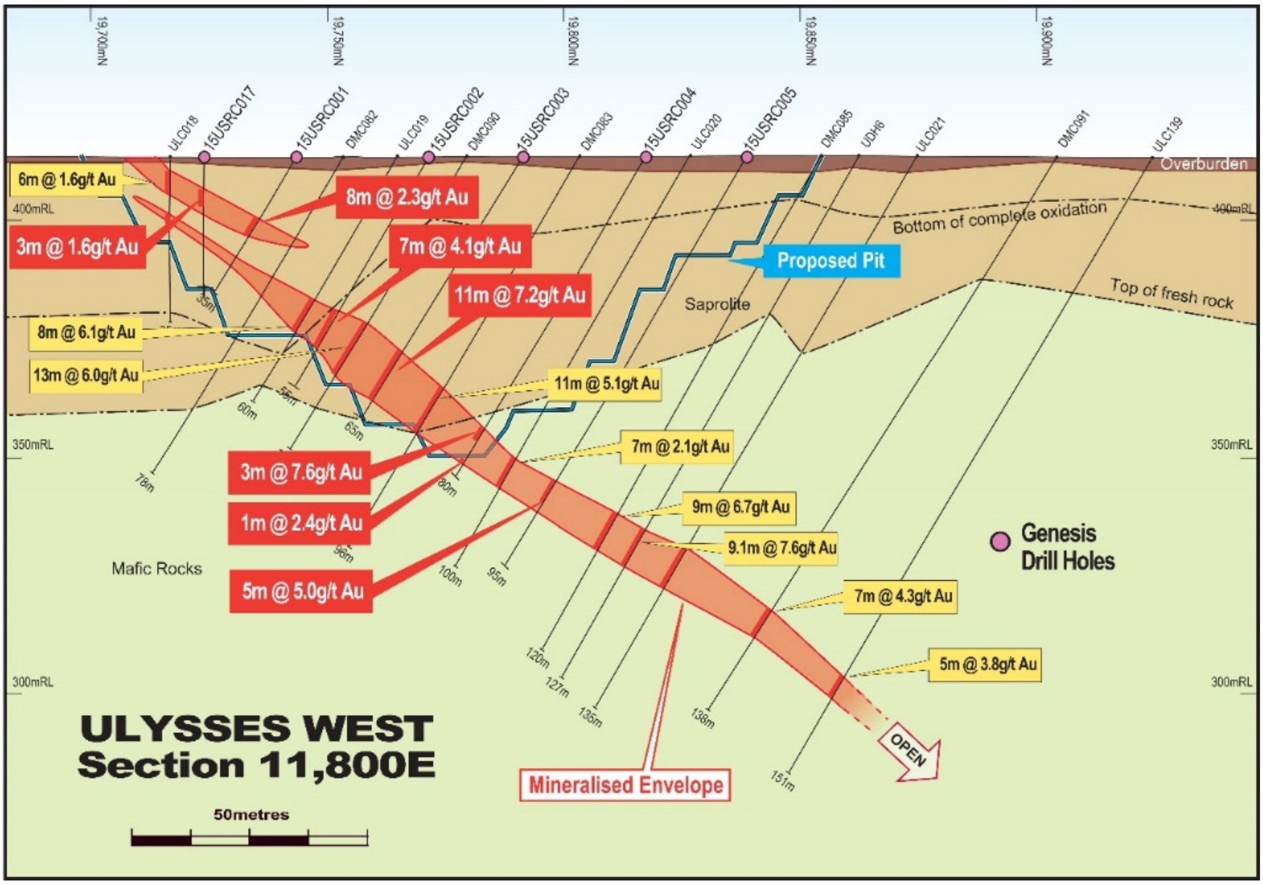

Figure 6 Cross section 11,800N with proposed pit outline.

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Material Assumptions

The maiden Ore Reserves have been estimated after completion of a Feasibility Study which included:

- utilising the January 2016 Ulysses Mineral Resource of 2.1Mt at 2.2g/t Au for 151,500 ounces of gold;
- mining by conventional contract load and haul open pit mining and road haulage to a processing facility to treat ore by toll treatment;
- pit optimisations at various gold price scenarios using wall angles based on independent geotechnical advice;
- pit design including provision for ramps, waste dumps and surface water management structures;
- metallurgical parameters from independent, detailed test work;
- mining recovery of 95% and mining dilution of 10 to 15%, based on ore type, ore body width and geometry, was applied;
- mining costs based on earthmoving and drill and blast contractor quotation;
- bulk densities derived from detailed testing and historical mining;
- road haulage based on contractor estimates;
- toll treatment costs based on advanced discussions with third party treatment facilities;
- administration and other costs estimated by Genesis; and
- a gold price of A$1,600 per ounce.

The project has very low infrastructure requirements and site infrastructure will be of a temporary nature with personnel to be accommodated in Leonora and Kalgoorlie.

Study Team

The feasibility study was carried out using suitably qualified external consultants where appropriate and included:

- Resource Estimate – Payne Geological Services
- Resource Optimisation and Open Pit Design – MineComp Kalgoorlie
- Geotechnical – Green Geotechnical
- Metallurgy – ALS Metallurgy supervised by Minelogix
- Environmental (Mine Plan and Closure Plan) – Botanica
- Hydrogeological (surface and ground) Review - Groundwater Resource Management

Open Pit Mining

Open pit mining will be conventional truck and excavator with the pit to be mined to a maximum depth of 60m. A two stage grade control program will be completed with an initial program commencing at surface prior to mining commencing.

Metallurgy

Recent metallurgical test work by ALS Metallurgy on composite and variability samples representative of the ore zones together with historical recovery data indicate recoveries for oxide and transitional ore types will be between 92% and 96% dependent on grade while primary ore recoveries are estimated to be between 85% and 90%. Reagent consumptions are low for all ore types and the gravity recoverable component is expected to be between 15% and 30% for all ore types.

Permitting Status

A list of all environmental approvals and licences for the Ulysses operation are listed in Table 3.

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Table 3 Approvals and Licences

Approval	Status
Grant of Mining Tenement and associated Tenement Conditions	Granted until 2021
DMP Clearing Permit	Issued 13 August 2016 – 31 August 2021 (CPS 7052/1)
DoW Groundwater Abstraction Licence	Issued
DoW Construct or Alter Well Licence	Issued
DMP - Mining Proposal for the Ulysses Project	Approved
DMP - Mine Closure Plan for the Ulysses Project	Approved
Main Roads - Goldfields highway access point	Approved
Main Roads – Deed for Blasting and Road Closure	Approved
DMP - PMP Project Management Plan	Approved

Key Results

Key results from the Feasibility Study include:

Table 4 Ore Reserve Physicals

Physicals	Unit	Ulysses West
ore tonnes	*t*	74,000
grade	*g/t*	4.1
metallurgy recovery	*%*	92.9%
ounces recovered	*ozs*	8,900
stripping ratio		17
total volume	*bcm*	593,070
max. pit depth	*m*	60

The financial model developed for the contract mining of the Ulysses West open pit and toll treatment of the ore demonstrates at a gold price of $1,600/ounce the project can generate net cashflows of ~$4.5 million (lifting to ~$6 million should a $1750/ounce be achieved) from net revenues of $13.3 million. Total operating costs for the project are estimated at ~$980 per ounce with all in sustaining costs of ~$1,060 per ounce.

Operating costs for the Ulysses open pit are estimated to be $8.8 million and includes all costs associated with mining, road haulage, processing and site-based general and administration costs. The operating costs have been compiled from:

- Budget quotations received for mining services to be provided under the Mining Alliance;
- Contractor estimates received for ore haulage;
- Budget quotations for toll treatment provided under the Toll Milling Agreement; and
- Estimates of site-based general and administration costs based on Genesis internal calculations and industry standards from similar operations.

For the purpose of the Ore Reserve Estimate, a marginal cut-off of 1.3g/t was calculated based upon an assumed gold price of A$1,600/ounce and applicable processing, haulage and administration costs.

The estimated Ore Reserve underpinning the production target has been prepared by a competent person in accordance with the requirements in Appendix 5A (JORC Code).

Ore Reserve Classification

The classification of the Ulysses Ore Reserve was carried out in accordance with the recommendations of the JORC Code 2012. It is based on the density of the drilling, estimation methodology and the mining method to be employed.

All Probable Ore Reserves have been derived from Indicated Mineral Resources.

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Mining Alliance

Genesis and SMS Innovative Mining Pty Ltd ('SMS') entered into a Mining Alliance Agreement ('Mining Alliance') to initially develop and mine the Ulysses West open pit which will include haul road construction, mobilisation of equipment, site establishment, drill and blast, and load and haul of waste and ore.

Further, SMS will provide a mix of equity and debt funding to support the development of the initial open pit at Ulysses West. The initial project investment by SMS will consist of the subscription by SMS (or such nominee) for Shares in Genesis, at $0.025 per share, to the value of $2.5 million. Genesis will issue Shares to SMS until the full satisfaction of invoiced amounts as per the mining schedule to an aggregate of $2.5 million. Once the aggregate amount of $2.5 million has been reached all further invoiced amounts will be treated as an interest free loan from SMS to Genesis (if required) which will continue to accrue until repaid out of cashflow generated by Genesis from gold sales.

SMS and Genesis will jointly investigate other opportunities to develop other open pit mining operations (including the next phase of Ulysses) and generate further low risk cash flow for the parties.

Toll Milling Agreement

Genesis executed a Letter Agreement in August 2016 with Paddington Gold Pty Ltd ("Paddington"), a wholly-owned subsidiary of Norton Gold Fields Ltd, who own and operate the 3.5Mtpa Paddington mill located ~160km south of the Ulysses Project.

Under the terms of the Agreement, Genesis must use best endeavours to mine and deliver mined ore to the Paddington Mill ROM Pad within an agreed timeframe using Paddington's preferred haulage contractor. Ore haulage to Paddington will be via the Goldfields Highway.

Genesis and Paddington have agreed to detailed procedures to determine grade, metallurgical recoveries and moisture determination to determine gold ounces recovered for each batch of ore. These detailed procedures cover stockpile management, tonnage estimation, crushing and sampling of ore via the dedicated sampling plant, and grade and metallurgical analyses through a certified independent laboratory.

The final gold ounces recovered for each batch will be calculated based on dry tonnage, average assay grade and metallurgical recovery and will take approximately 4 to 6 weeks to determine following delivery of the batch to the Paddington ROM pad.

Payments to Genesis will be fixed on the last updated Australian dollar spot gold price as quoted by the Perth Mint at the time the last truck arrives on the Paddington ROM for any given batch.

Payment Structure and Timing

Genesis and Paddington have agreed to a two stage payment method.

1. An initial payment to Genesis will be made within 15 days of final ore delivery to the Paddington ROM pad for any given batch. The estimated recoverable ounces on which the initial payment will be calculated is based on 80% of the Ulysses West mine claim grade, an estimate of dry tonnages delivered to the Paddington ROM pad and a nominal 90% metallurgical recovery. For the initial payment Genesis will be paid 50% of the gross revenue of the estimated recoverable ounces at the fixed gold price.
2. A final payment will be made once final recovered gold ounces are determined on receipt of gold grades and metallurgical recoveries from the laboratory. The final payment to Genesis for each batch will be calculated based on the final gold ounces recovered and the fixed gold price less payment for haulage and processing costs to Paddington and the initial payment.

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VIKING GOLD PROJECT

The Viking Project comprises 4 granted exploration licences and one application that cover some 500km^2 and is located approximately 600km east of Perth and 30km south east of the town of Norseman (see Figure 7) 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.

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 2015 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.

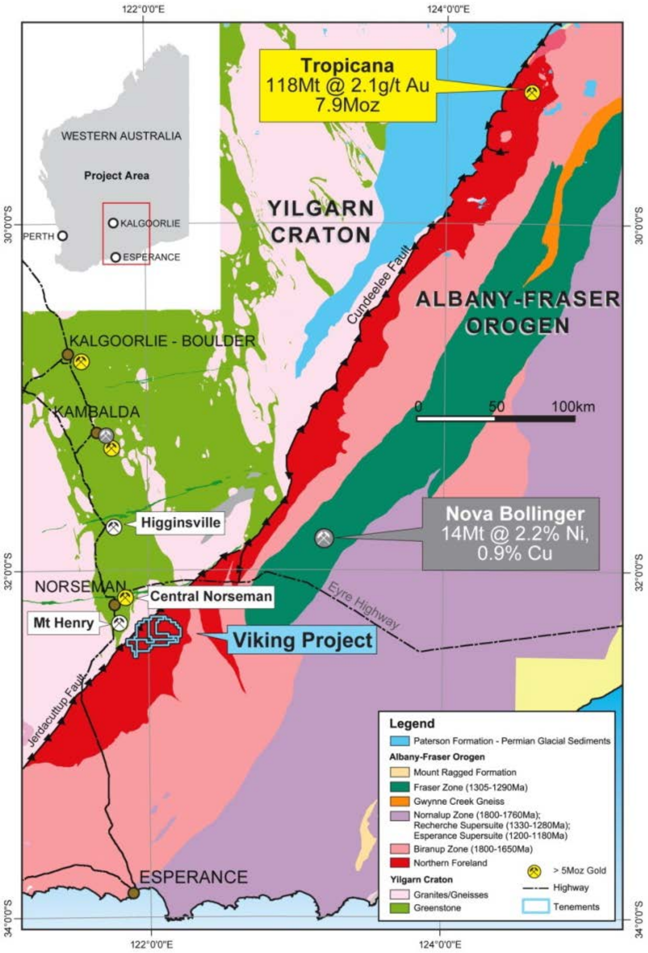

Figure 7 Viking Location

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 8). 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.

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 (Figures 8 and 10) has identified a significant wide zone of near surface oxide mineralisation. Drilling in the 2nd half of 2016 will focus on this 1.5km long oxide gold zone with drilling centred on the +100m wide sub horizontal blanket of oxide mineralisation (Figure 10) (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

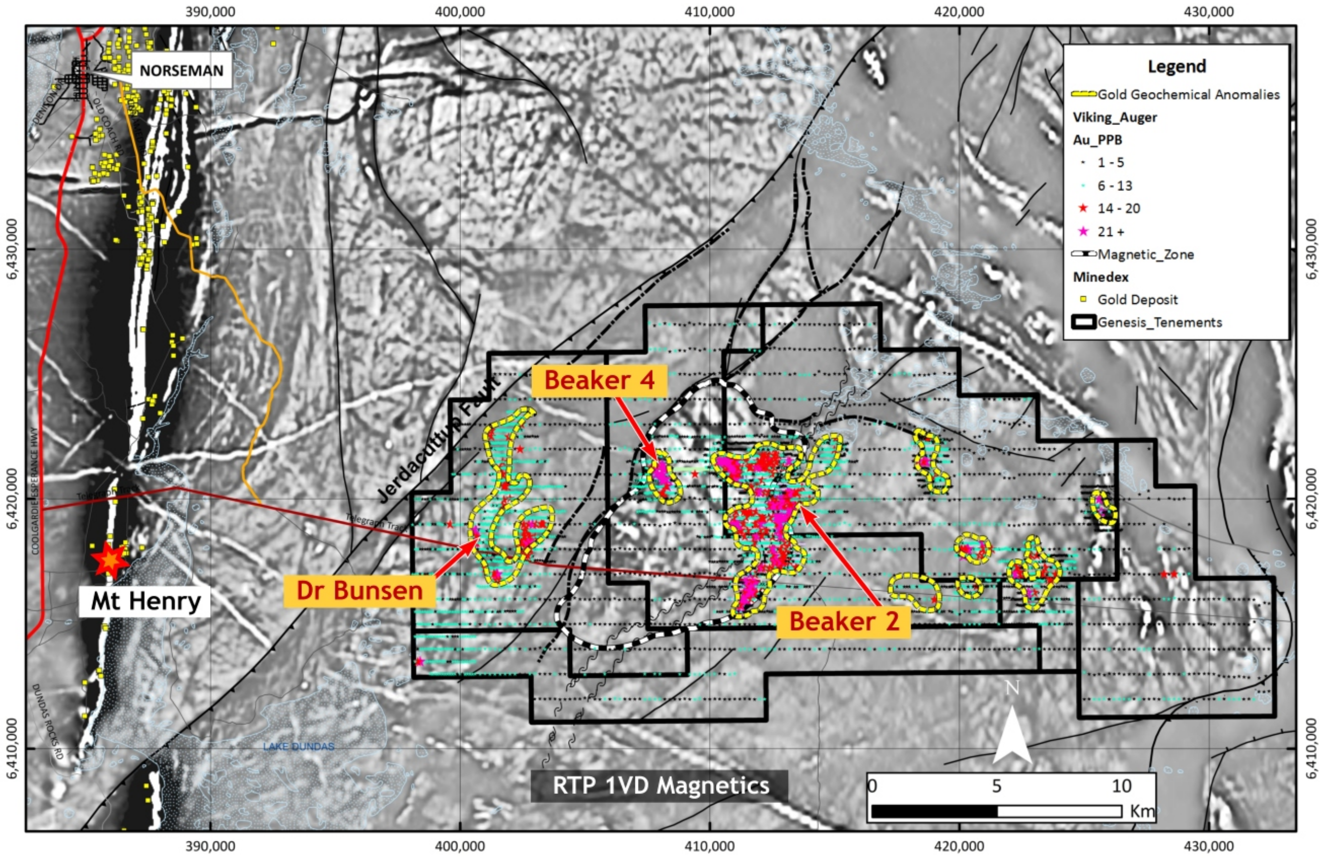

Figure 8 Prospect Locations

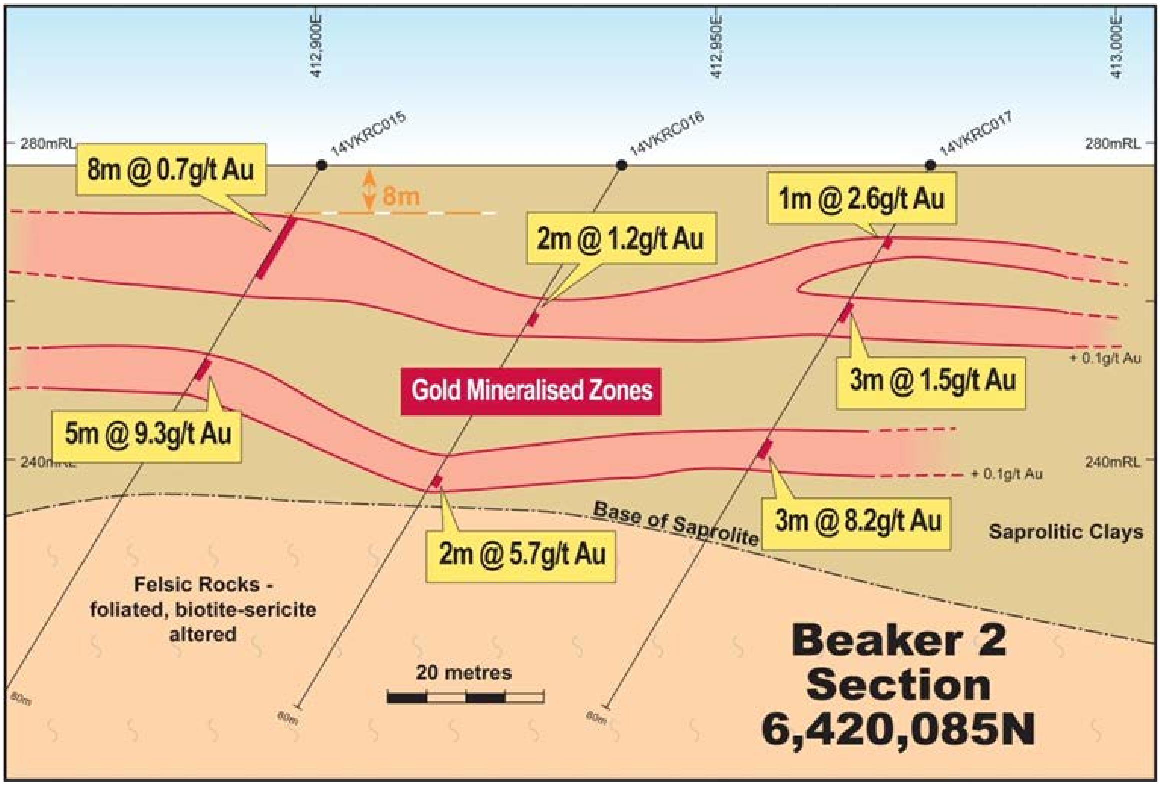

Figure 9 Beaker 2 Section

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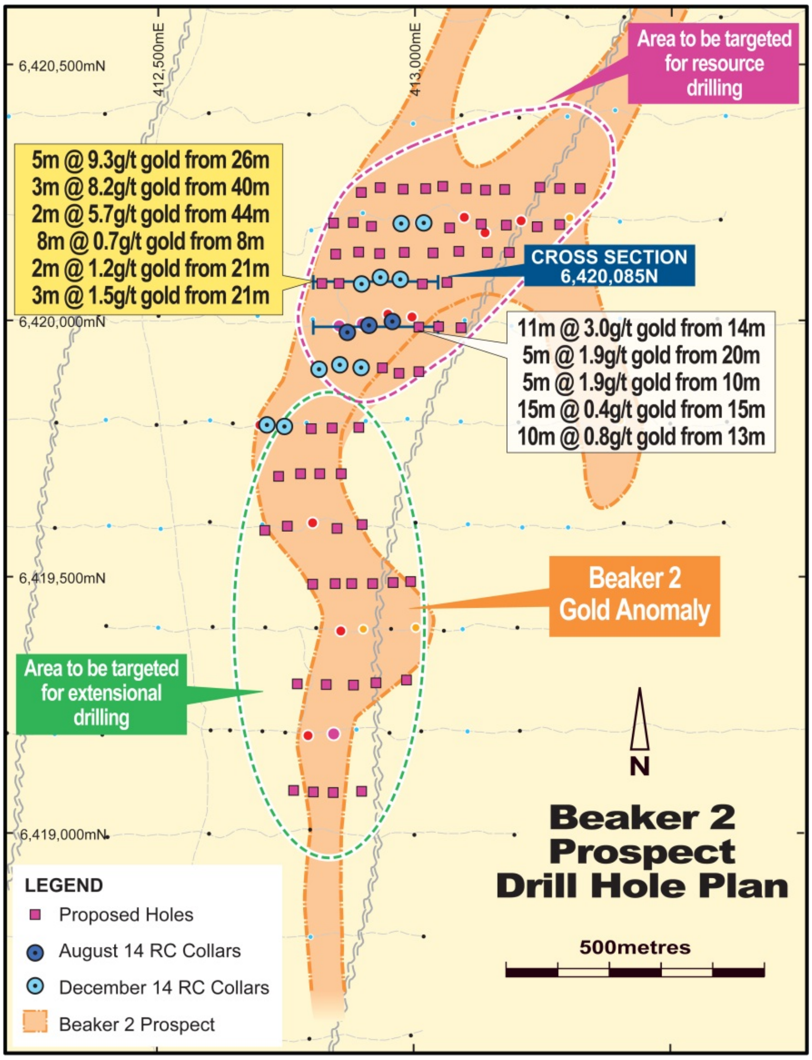

Figure 10 Beaker 2 Plan

Shallow RC drilling by Genesis in 2015 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 AC during the 2nd half of 2016.

Review of Operations

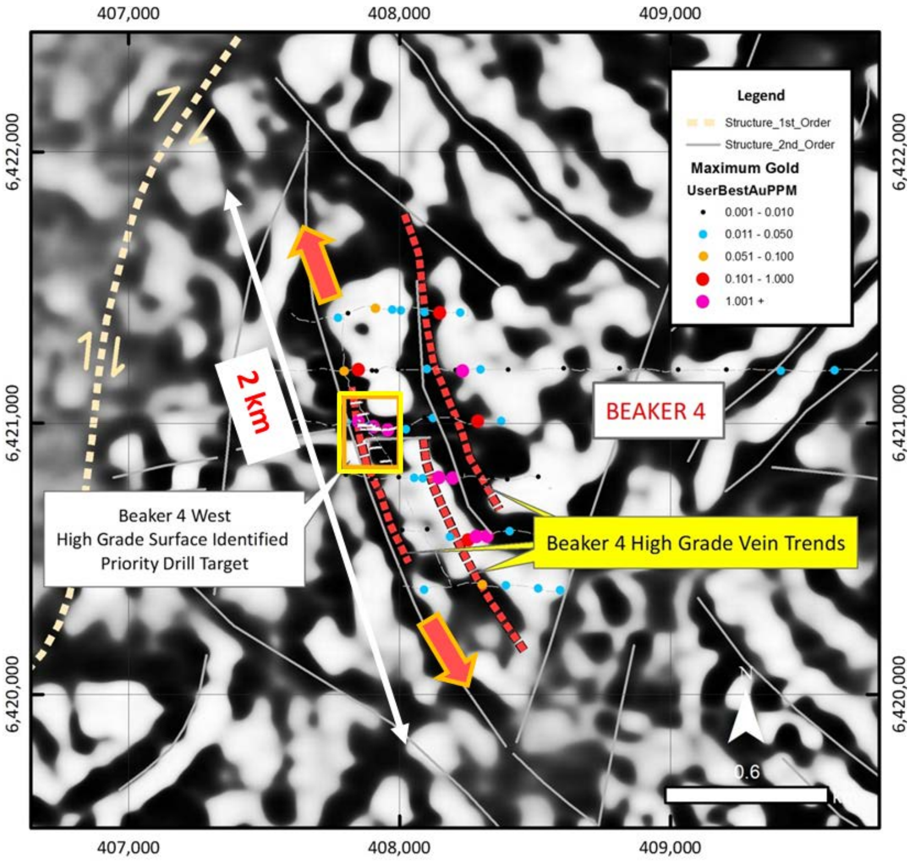

Figure 11 Beaker 4 Plan

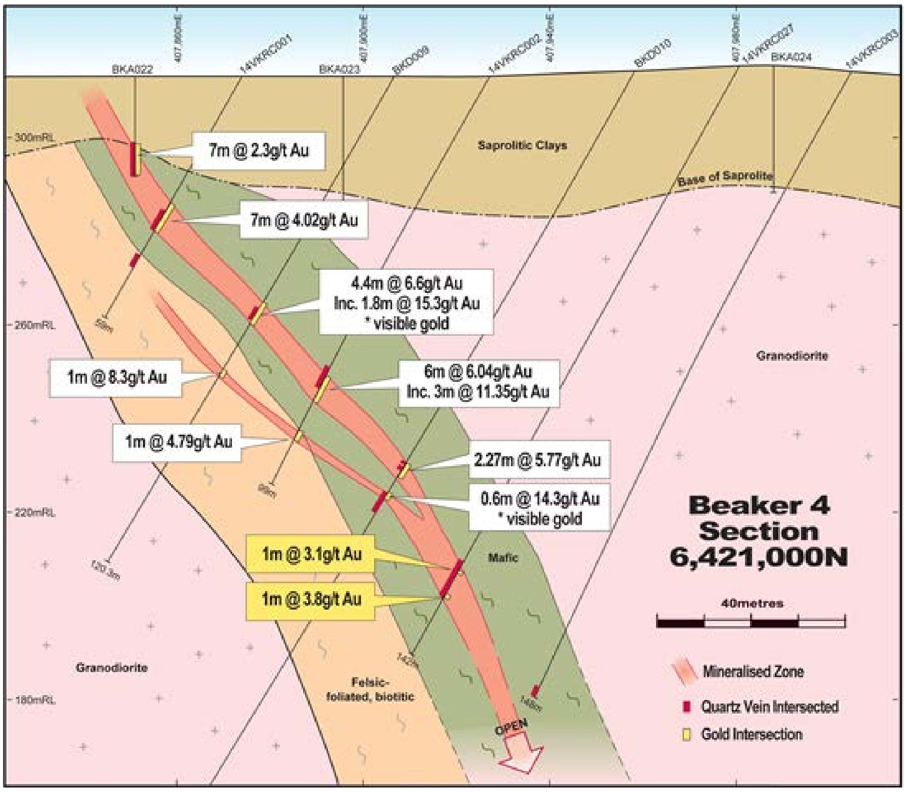

Figure 12 Beaker 4 Section

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COMPETENT PERSONS STATEMENTS

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

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

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

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 2016.

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	3,911,322 fully paid ordinary shares 312,500 options expiring 10 Dec 2016 ex at $0.032 2,000,000 options expiring 22 Dec 2017 ex at $0.017
Other directorships in listed entities held in the previous three years	Mr Hill resigned as a director of Centaurus Metals Limited 2 July 2015 Mr Hill is a director of Strandline Resource 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 worked as the Exploration Manager for Castle Minerals in Ghana.
Interest in shares and options	10,167,230 fully paid ordinary shares, 937,500 options expiring 10 Dec 2016 ex at $0.032 2,000,000 options expiring 22 Dec 2017 ex at $0.017
Other directorships in listed entities held in the previous three years	Mr Fowler is a director of Coventry Resources Inc.

Directors' Report

Darren Gordon	Non-Executive Director (appointed 23 March 2016)
Qualifications	B.Bus, CA, AGIA, MAICD
Experience	Mr Gordon has more than 20 years' experience in the Australian and international resource sector, having held senior financial, corporate and executive roles with a number of ASX-listed exploration and mining companies. During his career he has been involved in the acquisition, financing, development and operation of both iron ore and gold projects in Australia and Brazil. Mr Gordon is currently Managing Director of Centaurus Metals (ASX: CTM)
Interest in shares and options	5,839,657 fully paid ordinary shares, 312,500 options expiring 10 Dec 2016 ex at $0.032
Other directorships in listed entities held in the previous three years	Mr Gordon is a director of Centaurus Metals Limited.
Damian Delaney	Non-Executive Director (resigned 23 March 2016)
Qualifications	Chartered Accountant; MAICD
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	14,082,326 fully paid ordinary shares; 1,250,000 options expiring 10 Dec 2016 ex at $0.032 2,000,000 options expiring 22 Dec 2017 ex at $0.017
Other directorships in listed entities held in the previous three years	Mr Delaney is also a director Redbank Copper Ltd and was a director of Enterprise Uranium Limited in 2014.

COMPANY SECRETARY

Geoff James	Appointed 20 October 2015
Qualifications	B.Bus, CA, AGIA
Experience	Mr James is a Chartered Accountant and member of the Governance Institute. He has over 20 years experience in the resources sector.

Damian Delaney resigned as Company Secretary on 20 October 2015.

Directors' Report

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 2016 of $2,220,550 (2015: $1,527,678).

At 30 June 2016 cash assets available totalled $711,989 (2015: $110,830).

The net assets of the consolidated entity increased from ($235,953) in 2015 to $424,518 at June 30 2016. This increase is largely due to capital raisings during the year of over $2.5 million.

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:

	2016		2015	
	Revenues $	Results $	Revenues $	Results $
Group revenues and loss from ordinary activities before income tax expense	**6,486**	**(2,220,550)**	**3,615**	**(1,527,678)**

Shareholder Returns

	2016	2015
Basic and diluted loss per share (cents)	**(0.49)**	**(0.51)**

DIRECTORS' MEETINGS

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

	Directors Meetings	
	A	B
Richard Hill	6	6
Michael Fowler	6	6
Darren Gordon	3	3
Damian Delaney	3	3

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 27,250,000 unissued ordinary shares in respect of which options are outstanding.

	Number of options
Balance at the beginning of the year	43,250,000
Movements of share options during the year	
Expired on 30 Nov 2015, exercisable at 12 cents	(750,000)
Exercise of 10 Dec 2015, at 1.6 cents	(17,914,062)
Expired on 10 Dec 2015, exercisable at 1.6 cents	(3,335,938)
Issue of options expiring on 22 Dec 2017 exercisable at 1.7 cents	6,000,000
Total number of options outstanding as at 30 June 2016 and the date of this report	**27,250,000**

The balance is comprised of the following:

Expiry date	Exercise price (cents)	Number of options
10 December 2016	3.2	21,250,000
22 December 2017	1.7	6,000,000
Total number of options outstanding at the date of this report		**27,250,000**

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 $6,660 (2015: $10,348).

NON-AUDIT SERVICES

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

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 $2,540,957 through the issue of 200,062,770 ordinary shares in total to institutional and sophisticated investors during the year. Drilling expenses of $12,000 were paid for via the issue of 1,200,000 ordinary shares. Part of the consideration for the acquisition of the Ulysses project was the issue of 10.7 million shares at a deemed value of $110,000. In addition, 9.1 million shares at a value of $200,000 were issued to Teck Resources Limited pursuant to the termination of an agreement to earn into the Alliance Project in Argentina.

AFTER BALANCE DATE EVENTS

On 15 August 2016, the Group completed a placement of 69,400,000 shares at $0.025 per share, raising $1,735,000 to fund the working capital requirements to commence mining at the Ulysses West open pit and the continued exploration at the Ulysses and Viking Projects.

On 22 September 2016, the Group obtained approval via a general meeting for the issue of up to 100,000,000 fully paid ordinary shares at a price of $0.025 per share to SMS Innovative Mining Pty Ltd as part of its Mining Alliance for the Ulysses Gold Project.

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.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Group expects to commence mining at the Ulysses Project within the next 12 months.

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.

Directors' Report

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 26.

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 9.5% (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.

Directors' Report

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 2016.

VOTING AND COMMENT MADE ON THE GROUP'S 2015 ANNUAL GENERAL MEETING

The Company received 100% of “yes” votes on its remuneration report for the 2015 financial year. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

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. 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

	2016 $	2015 $
Short-term benefits	**286,412**	**263,000**
Post-employment benefits	**20,980**	**21,250**
Other long-term benefits	**-**	**-**
Termination benefits	**-**	**-**
Share-based payments	**81,582**	**84,817**
	387,994	**369,067**

Key management personnel of the Group

	Short-Term	Post Employment	Share-based Payments		Total
	Salary & Fees	Superannuation	Shares	Options	
	$	$	$	$	$
Directors					
Richard Hill					
2016	**54,500**	-	**-**	**27,194**	**81,694**
2015	44,500[1]	-	11,250	867	56,617
Michael Fowler					
2016	**200,000**	**20,000**	**-**	**27,194**	**247,194**
2015	192,500[2]	21,250[2a]	22,500	1,733	237,983
Damian Delaney					
2016	**22,500**	-	**-**	**27,194**	**49,694**
2015	59,000[3]	-	12,000	3,467	74,467
Darren Gordon					
2016	**9,412**	-	**-**	**-**	**9,412**
2015	-	-	-	-	-
2016	**286,412**	**20,000**	**-**	**81,582**	**387,994**
2015	296,000	21,250	45,750	6,067	369,067

Directors' Report

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 Hill, Fowler & Delaney received 6,000,000 options valued at $81,582 during the year. 2015:(4,375,000 valued at $6,067). In December 2015, all options issued to directors were exercised for fully paid ordinary shares.

(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:

2016	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	2,000,000	(312,500)	-	2,312,500	2,312,500
Michael Fowler	1,875,000	2,000,000	(937,500)	-	2,937,500	2,937,500
Darren Gordon	-	-	-	312,500[1]	312,500	312,500
Damian Delaney	2,500,000	2,000,000	(1,250,000)	-	3,250,000[2]	3,250,000
	5,000,000	6,000,000	(2,500,000)	312,500	8,812,500	8,812,500

1 Balance on appointment on 23 March 2016.

2 Balance on resignation on 23 March 2016.

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

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.

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.

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.

In September 2014, Mr Fowler's salary was set at $200,000 per annum plus 10% superannuation.

Share based compensation

No shares were issued to directors in lieu of fees and salary in 2016. (2015: 8,750,000 ordinary shares).

(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.

Directors' Report

2016	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	**3,198,822**	**312,500**	**-**	**3,511,322**
Michael Fowler	**9,029,730**	**937,500**	**-**	**9,967,230**
Darren Gordon	**-**	**-**	**5,839,657[1]**	**5,839,657**
Damian Delaney	**7,002,292**	**1,250,000**	**5,830,034**	**14,082,326[2]**
	19,230,844	**2,500,000**	**11,669,691**	**33,400,535**

1 Balance on appointment on 23 March 2016.

2 Balance on resignation on 23 March 2016.

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**	**-**	**3,876,000**	**9,029,730**
Damian Delaney	**1,600,000**	**-**	**5,402,292**	**7,002,292**
	8,452,552	**-**	**10,652,292**	**19,230,844**

(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	
		2016 $	2015 $	2016 $	2015 $
R Hill – Westoria Capital Pty Ltd	Consulting Services	-	14,283	-	4,620

END OF REMUNERATION REPORT

Directors' Report

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 2016

Bentleys
THINKING AHEAD

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To The Board of Directors

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

As lead audit director for the audit of the financial statements of Genesis Minerals Limited for the financial year ended 30 June 2016, 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
Chartered Accountants

DOUG BELL CA
Director

Dated at Perth this 30th day of September 2016

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 Board oversees arrangements for the effective appointment of new directors which includes identifying candidates to fill vacancies and to determine the appropriateness of director nominees 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 2016 – 2017. 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.

<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>Darren Gordon</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 Darren Gordon are independent directors.

Richard Hill has been a director since 13 February 2013.
Michael Fowler has been a director since 16 April 2007.
Damian Delaney was a director from 21 March 2012 to 23 March 2016.
Darren Gordon has been a director since 23 March 2016.</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 Board considers that due to the size and complexity of the Company's affairs it does not merit the establishment of a separate Audit Committee. Until the situation changes the Board carries out all necessary audit committee functions which includes reviewing the appointment and removal of the external auditor and the rotation of the audit engagement partner. The Board meets on a regular basis and discusses matters normally captured under the terms of reference of an audit committee, being company risk, controls and general and specific financial matters.
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).

Corporate Governance Statement

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 Board considers that due to the size and complexity of the Company's affairs it does not merit the establishment of a separate Remuneration Committee. 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 2016	Notes	2016	2015
		$	$
REVENUE		**6,486**	**3,615**
EXPENDITURE			
Depreciation expense		**(2,372)**	**(2,238)**
Salaries and employee benefits expense		**(331,701)**	**(293,179)**
Exploration expenses		**(1,546,716)**	**(1,036,705)**
Corporate expenses		**(125,739)**	**(121,006)**
Administration costs		**(138,926)**	**(78,165)**
Share based payments expense		**(81,582)**	**-**
LOSS BEFORE INCOME TAX		**(2,220,550)**	**(1,527,678)**
INCOME TAX BENEFIT/(EXPENSE)	2	**-**	**-**
LOSS FOR THE YEAR		**(2,220,550)**	**(1,527,678)**
OTHER COMPREHENSIVE (LOSS)/INCOME			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		**(8,260)**	**(152,294)**
Other comprehensive (loss)/income for the year, net of tax		**(8,260)**	**(152,294)**
TOTAL COMPREHENSIVE LOSS FOR THE YEAR ATTRIBUTABLE TO MEMBERS OF GENESIS MINERALS LIMITED		**(2,228,810)**	**(1,679,972)**
Basic and diluted loss per share (cents per share)	9	**(0.49)**	**(0.51)**

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 2016	Notes	2016	2015
		$	$
CURRENT ASSETS			
Cash and cash equivalents	3	711,989	110,830
Trade and other receivables	4	65,860	6,949
TOTAL CURRENT ASSETS		777,849	117,779
NON-CURRENT ASSETS			
Plant and equipment	5	9,454	6,433
TOTAL NON-CURRENT ASSETS		9,454	6,433
TOTAL ASSETS		787,303	124,212
CURRENT LIABILITIES			
Trade and other payables	6	279,585	287,746
Provisions		83,200	46,590
TOTAL CURRENT LIABILITIES		362,785	334,336
NON-CURRENT LIABILITIES			
Provisions		-	25,829
TOTAL NON-CURRENT LIABILITIES		-	25,829
TOTAL LIABILITIES		362,785	360,165
NET ASSETS / (LIABILITIES)		424,518	(235,953)
EQUITY			
Issued capital	7	19,499,272	16,691,573
Reserves	8	1,236,729	1,163,407
Accumulated losses		(20,311,483)	(18,090,933)
TOTAL EQUITY / (DEFICIENCY IN SHAREHOLDERS FUNDS)		424,518	(235,953)

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 2016

	Notes	Ordinary Share Capital $	Accumulated Losses $	Foreign Currency Translation Reserve $	Options Reserve $	Total $
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		**682,412**	**(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)**
BALANCE AT 1 JULY 2015		**16,691,573**	**(18,090,933)**	**(26,918)**	**1,190,325**	**(235,953)**
Loss for the year			(2,220,550)	-	-	**(2,220,500)**
OTHER COMPREHENSIVE LOSS						
Exchange differences on translation of foreign operations	8			(8,260)		**(8,260)**
TOTAL COMPREHENSIVE LOSS		**-**	**(2,220,550)**	**(8,260)**	**-**	**(2,228,810)**
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS						
Shares issued during the year	7	2,892,956				2,892,956
Share issue transaction costs	7	(85,257)				(85,257)
Share based payments					81,582	81,582
Sub-total		**2,807,699**	**(2,220,550)**	**(8,260)**	**81,582**	**660,471**
BALANCE AT 30 JUNE 2016		**19,499,272**	**(20,311,483)**	**(35,178)**	**1,271,907**	**424,518**

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 2016	Notes	2016	2015
		$	$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(667,082)	(266,067)
Payments for exploration expenditure		(1,179,760)	(1,260,562)
Interest received		6,486	3,615
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	19	(1,840,356)	(1,523,014)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for plant and equipment		(5,823)	(189)
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		(5,823)	(189)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings			
Proceeds from issues of ordinary shares		2,540,957	561,000
Payments of share issue costs		(85,257)	(7,339)
NET CASH INFLOW FROM FINANCING ACTIVITIES		2,455,700	553,661
NET INCREASE IN CASH AND CASH EQUIVALENTS		609,521	(969,542)
Cash and cash equivalents at the beginning of the financial year		110,830	1,239,869
Effects of exchange rate changes on cash and cash equivalents		(8,362)	(159,498)
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	7	711,989	110,830

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

30 JUNE 2016

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 2016. 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 2015 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 2015.

(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 $2,220,550 for the year ended 30 June 2016 (2015: $1,527,678). Included within this loss was exploration expenditure of $1,546,716 (2015: $1,036,705).

The net working capital surplus position of the Group at 30 June 2016 was $415,064 (2015: $216,557 deficit).The Group has expenditure commitments relating to work programme obligations of their assets of $509,500 which could potentially fall due in the twelve months to 30 June 2016. Subsequent to balance date, the Group completed a placement of $1,735,000 to fund working capital requirements which will be sufficient to meet contractual commitments for the next twelve months.

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

(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.

Notes to the Consolidated Financial Statements

30 JUNE 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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.

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.

Notes to the Consolidated Financial Statements

30 JUNE 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) 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.

(i) Financial instruments

(i) 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.

(ii) 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.

(iii) 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.

(j) 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.

(k) 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.

(i) 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.

(ii) 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:

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(iii) 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.

(l) Exploration and development expenditure

Exploration, evaluation costs are expensed as incurred.

(m) 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.

(n) 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.

(o) 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.

(p) 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.

(q) 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.

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.

(r) 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.

(i) 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.

(ii) 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.

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.

(iii) 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.

(iv) Key estimate - share based payments

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

(v) 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.

(vi) 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.

(vii) 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

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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

New, revised or amending Accounting Standards and Interpretations adopted

The group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the group during the financial year.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the group for the annual reporting period ended 30 June 2016. The group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the group, are set out below.

AASB 9 Financial Instruments

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard replaces all previous versions of AASB 9 and completes the project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. AASB 9 introduces new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost, if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, which arise on specified dates and solely principal and interest. All other financial instrument assets are to be classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income ('OCI'). For financial liabilities, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements will use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment will be measured under a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. The standard introduces additional new disclosures. The group will adopt this standard from 1 July 2018 but the impact of its adoption is yet to be assessed by the group.

AASB 15 Revenue from Contracts with Customers

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue. For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgements made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer. The group will adopt this standard from 1 July 2018 but the impact of its adoption is yet to be assessed by the group.

AASB 16 Leases

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured as the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results will be improved as the operating expense is replaced by interest expense and depreciation in profit or loss under AASB 16. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. The group will adopt this standard from 1 July 2019 but the impact of its adoption is yet to be assessed by the group.

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:

	2016	2015
	$	$
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:

	2016	2015
Loss from continuing operations before income tax expense	**(2,220,550)**	**(1,527,678)**
Prima facie tax benefit at the Australian tax rate of 30%	**(666,165)**	**(458,303)**
Add:		
Tax effect of :		
Share-based payments	**24,475**	**4,445**
Expenses incurred in deriving non-assessable non-exempt income	**73,869**	**148,430**
Sundry items	**9,962**	**67**
Movements in unrecognised temporary differences	**14,535**	**(50,569)**
	(543,525)	**(355,931)**
Tax effect of current year tax losses for which no deferred tax asset has been recognised	**543,325**	**355,931**
Income tax expense	-	-

Notes to the Consolidated Financial Statements

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2. INCOME TAX EXPENSE (continued)

	2016	2015
	$	$
(e) **Tax Losses**		
Unused tax losses for which no deferred tax asset has been recognised	8,035,860	7,492,535
Potential tax benefit @ 30%	2,410,758	2,247,761

The benefit for tax losses will only be obtained if:

(a) The company and consolidated entity derive future assessable income of a nature and an amount sufficient to enable the benefit from the deductions for the losses to be realised;

(b) The company and the consolidated entity continue to comply with the conditions for deductibility imposed by law; and

(c) No changes in tax legislation adversely affect the ability of the Company and consolidated entity to realise these benefits.

3. CASH AND CASH EQUIVALENTS

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

	2016	2015
	$	$
Cash at bank and in hand	**33,718**	**49,009**
Short-term deposits	**678,271**	**61,821**
Cash and cash equivalents	**711,989**	**110,830**

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.

	2016	2015
	$	$
4. TRADE AND OTHER RECEIVABLES		
Trade debtors	**38,934**	**5,245**
Other receivables	**26,926**	**1,704**
	65,860	**6,949**

The Group expects the above trade and other receivables to be recovered within 12 months of 30 June 2016 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).

Notes to the Consolidated Financial Statements

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5. PLANT AND EQUIPMENT

Plant and equipment		
Cost	**21,526**	**18,543**
Accumulated depreciation	**(12,072)**	**(12,110)**
Net book amount	**9,454**	**6,433**

Plant and equipment		
Opening net book amount	**6,433**	**7,964**
Exchange differences	**(362)**	**895**
Dispoals / (Additions)	**5,755**	**(188)**
Depreciation charge	**(2,372)**	**(2,238)**
Closing net book amount	**9,454**	**6,433**

6. TRADE AND OTHER PAYABLES

Trade payables	**185,783**	**116,735**
Other payables and accruals	**93,802**	**171,011**
	279,585	**287,746**

7. ISSUED CAPITAL

	2016	2015
	$	**$**
567,780,876 (30 June 2015: 344,837,912) Ordinary shares	**20,404,644**	**17,511,687**
Value of conversion rights - Convertible Notes	**25,633**	**25,633**
Share issue costs written off against issued capital	**(931,005)**	**(845,747)**
	19,499,272	**16,691,573**

MOVEMENT IN ORDINARY SHARES	**No.**	**$**
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)
Balance at 1 July 2015	**344,837,912**	**16,691,573**
Issue to Project vendors Aug 2015	**10,000,000**	**100,000**
Share placement Aug 2015	**22,500,000**	**225,000**
Share placement Sept 2015	**18,000,000**	**180,000**
Share placement Oct 2015	**32,500,000**	**325,000**
Issue for drilling services Oct 2015	**1,200,000**	**12,000**
Conversion of $0.016 Options	**17,914,062**	**286,625**
Share placement Mar 2016	**111,023,707**	**1,554,331**
Issue to Project vendor Mar 2016	**714,286**	**10,000**
Issue to JV partner to terminate agreement	**9,090,909**	**200,000**
Less: share issue costs		**(85,257)**
	567,780,876	**19,499,272**

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

Notes to the Consolidated Financial Statements

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7. ISSUED CAPITAL (continued)

OPTIONS

(a) Options on issue	2016	2015
Exercisable at 12 cents, on or before 30 Nov 2015	**-**	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**	21,250,000
Exercisable at 1.7 cents, on or before 22 Dec 2017	**6,000,000**	-
	27,250,000	43,250,000

(b) Movements in options on issue

Beginning of the financial year	**43,250,000**	23,760,596
– Expired on 31 Dec 2014, exercisable at 22 cents	**-**	(9,500,000)
– Expired on 1 Mar 2015, exercisable at 20 cents	**-**	(13,510,596)
– Expired on 30 Nov 2015, exercisable at 12 cents	**(750,000)**	-
– Expired on 10 Dec 2015, exercisable at 1.6 cents	**(3,335,938)**	-
– Exercised Dec 2015 at 1.6 cents	**(17,914,062)**	-
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
– Exercisable at 1.7 cents, on or before 22 Dec 2017	**6,000,000**	-
End of the financial year	**27,250,000**	43,250,000

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 2016 is $415,064 (2015: ($216,557))

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(e). 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.

Notes to the Consolidated Financial Statements

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9. LOSS PER SHARE

	2016	2015
(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	(2,220,550)	(1,527,678)
	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	454,384,638	301,591,337
EPS (cents per share)	(0.49)	(0.51)

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	**509,500**	**480,000**
Greater than one year but less than five years	**1,046,726**	**350,000**
	1,556,226	**830,000**

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.

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:

	2016 $	2015 $
Financial Assets		
Cash and cash equivalents	**711,989**	**110,830**
Trade and other receivables	**65,860**	**6,949**
Total financial assets	**777,849**	**117,779**
Financial Liabilities		
Trade and other payables	**279,585**	**287,746**
Total financial liabilities	**279,585**	**287,746**

Notes to the Consolidated Financial Statements

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11. FINANCIAL RISK MANAGEMENT (continued)

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.

(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 2016, the Group's Net CLP exposure was CLP 4,702,817 (2015: ($17,552,493)) which translated to $9,597 (2015: $21,124) AUD.

Had the AUD weakened/strengthened by 10% against the CLP, there would have been a nil (2015: nil) impact on the Group's post tax losses and an immaterial movement to the Group's equity for both years.

Notes to the Consolidated Financial Statements

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11. FINANCIAL RISK MANAGEMENT (continued)

ii. 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.

iii. 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
2016	5,696	(5,696)	5,696	(5,696)
2015	890	(890)	890	(890)

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.

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.

Notes to the Consolidated Financial Statements

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12. OPERATING SEGMENTS (continued)

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	
	2016	2015	2016	2015	2016	2015
	$	$	$	$	$	$
REVENUE						
Corporate interest revenue			6,486	3,615	6,486	3,615
Interest - investment						
Total segment revenue			6,486	3,615	6,486	3,615

	SOUTH AMERICA		AUSTRALIA		TOTAL	
	2016	2015	2016	2015	2016	2015
	$	$	$	$	$	$
SEGMENT RESULTS						
Depreciation expense	(2,138)	(2,108)	(234)	(129)	(2,372)	(2,237)
Employee benefits expense	(148,667)	(46,052)	(183,034)	(247,127)	(331,701)	(293,179)
Share based payments	-	-	(81,582)	-	(81,582)	-
Other expenses	(48,512)	(151,590)	(1,762,869)	(1,084,708)	(1,811,381)	(1,236,298)
	(293,143)	**(199,750)**	**(2,021,233)**	**(1,327,928)**	**(2,220,550)**	**(1,527,678)**
SEGMENT ASSETS						
Segment operating assets	20,431	50,858	766,872	73,354	787,303	124,212
Total segment assets	20,431	50,858	766,872	73,354	787,303	124,212
SEGMENT LIABILITIES						
Segment operating liabilities	(24,584)	(64,037)	(338,201)	(296,128)	(362,785)	(360,165)
Total segment liabilities	**(24,584)**	**(64,037)**	**(338,201)**	**(296,128)**	**(362,785)**	**(360,165)**

Notes to the Consolidated Financial Statements

30 JUNE 2016

13. KEY MANAGEMENT PERSONNEL DISCLOSURES

Key management personnel compensation

	2016	2015
	$	$
Short-term benefits	286,412	263,000
Post-employment benefits	20,000	21,250
Other long-term benefits	-	-
Termination benefits	-	-
Share-based payments	81,582	84,817
	387,994	369,067

14. REMUNERATION OF AUDITORS

	2016	2015
	$	$
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	29,750	25,500
Total remuneration for audit services	29,750	25,500

15. CONTINGENCIES

As part of the terms of acquisition of Ulysses Mining Pty Ltd completed during the year, the Group has agreed to the following terms:

- Deferred consideration of $10.00 per dry metric tonne of ore product from the tenements which is treated through a toll treatment plant for the first 200,000 DMT of ore processed, to a maximum of $2,000,000. No deferred consideration payments are payable on any ore product until such time as a minimum of 20,000 DMT of ore product or the treatment of the minimum Ore Product parcel accepted by the toll treatment plant has been accepted.
- 1.2% of the Net Smelter Return generated from the sale of any product from the tenement area, after 200,000 of dry metric tonnes of ore product from the tenements has been treated through a toll treatment plant.

There are no other 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

30 JUNE 2016

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] 2016 %	Equity Holding[1] 2015 %
Genesis Minerals (Chile) S.A.	Chile	Ordinary	100	100
Genesis Minerals (Argentina) SA	Argentina	Ordinary	100	100

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

18. EVENTS AFTER THE BALANCE SHEET DATE

On 15 August 2016, the Group completed a placement of 69,400,000 shares at $0.025 per share, raising $1,735,000 to fund the working capital requirements to commence mining at the Ulysses West open pit and the continued exploration at the Ulysses and Viking Projects.

On 22 September 2016, the Group obtained approval via a general meeting for the issue of up to 100,000,000 fully paid ordinary shares at a price of $0.025 per share to SMS Innovative Mining Pty Ltd as part of its Mining Alliance for the Ulysses Gold Project.

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

	2016 $	2015 $
(a) Reconciliation of net loss after income tax to net cash outflow from operating activities		
Net loss for the year	(2,220,550)	(1,527,678)
Non-Cash Items		
Depreciation of non-current assets	2,372	2,238
Loss on disposal of assets	67	-
Share based payments expense	42,000	84,817
Issue of options	81,582	-
Shares issued in satisfaction of exploration expenses	310,000	50,000
Net exchange differences	(61)	8,773
Change in operating assets and liabilities, net of effects from purchase of controlled entities		
Decrease/(increase) in trade and other receivables	(58,925)	1,578
(Decrease)/increase in trade and other payables	(7,623)	(124,523)
(Decrease) / Increase in provisions	10,782	(18,218)
Net cash outflow from operating activities	(1,840,356)	(1,523,014)

(b) Non-cash investing and financing activities

There were no non-cash investing and financing activities during either the 2016 or 2015 financial years.

Notes to the Consolidated Financial Statements

30 JUNE 2016

20. SHARE BASED PAYMENTS

The Group established the Genesis Minerals Limited Option Plan on 15 May 2007.

Set out below are summaries of the options granted:

	Number of options	Weighted average exercise price (cents)
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
Exercised during the year	(2,500,000)	1.6
Expired during the year	(2,625,000)	5.8
Granted during the year	6,000,000	1.7
Options outstanding at 30 June 2016	6,000,000	1.7

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

Grant date	22/12/15
Grant date fair value	$0.0136
Grant date share price	$0.021
Exercise price	$0.017
Expected volatility	118.59%
Option life	2 year
Expiry date	22/12/17
Risk-free interest rate	1.97%

On 14 August 2015, the Company issued 10,000,000 shares at an issue price of $0.01 as part of the consideration to acquire the Ulysses Gold Project. On 8 March 2016, the Company issued an additional 714,286 shares at an issue price of $0.014 to complete the acquisition of the Ulysses Gold Project. This represents a total value of $110,000 (refer note 22).

On 22 June 2016, the Company entered into an agreement with Teck Argentina Limited to settle its outstanding expenditure commitment via the issue of a 9,090,909 shares at an issue price of $0.022 per share to a total value of $200,000.

Notes to the Consolidated Financial Statements

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21. PARENT ENTITY INFORMATION

The following information relates to the parent entity, Genesis Minerals Limited, at 30 June 2016. The information presented here has been prepared using accounting policies consistent with those presented in Note 1.

	2016 $	2015 $
Current assets	**761,661**	**73,162**
Non-current assets	**5,210**	**193**
Total assets	**766,871**	**73,355**
Current liabilities	**(338,201)**	**(296,128)**
Total liabilities	**(338,201)**	**(296,128)**
Issued capital	**19,475,272**	**16,667,573**
Share-based payments reserve	**1,288,911**	**1,207,329**
Accumulated losses	**(20,335,513)**	**(18,097,675)**
Total (deficiency in shareholders funds) / equity	**428,670**	**(222,773)**
Loss for the year	**(2,237,838**	**(1,684,983)**
Total comprehensive loss for the year	**(2,237,838)**	**(1,684,983)**

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 2015 or 30 June 2016.

22. ACQUISITION OF ULYSSES GOLD PROJECT

During the year, the Group completed the acquisition of Ulysses Mining Pty Ltd, which holds the Ulysses Gold Project. The total consideration for the project was $110,000 in shares and $265,000 in cash, and for accounting purposes was considered the acquisition of an asset.

Under the terms of the agreement, the following was also agreed to:

- Deferred consideration of $10.00 per dry metric tonne of ore product from the tenements which is treated through a toll treatment plant for the first 200,000 DMT of ore processed, to a maximum of $2,000,000. No deferred consideration payments are payable on any ore product until such time as a minimum of 20,000 DMT of ore product or the treatment of the minimum Ore Product parcel accepted by the toll treatment plant has been accepted.
- 1.2% of the Net Smelter Return generated from the sale of any product from the tenement area, after 200,000 of dry metric tonnes of ore product from the tenements has been treated through a toll treatment plant.

Directors' Declaration

In the directors' opinion:

(a) the financial statements and notes set out on pages 35 to 58 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 2016 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 2016

Independent Auditor's Report

To the Members of Genesis Minerals Limited

Bentleys
THINKING AHEAD

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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 2016, 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 2016 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.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2016. 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 2016, 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 2016

ASX Additional Information

Additional information required by Australian Stock Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 28 September 2016.

(a) Distribution of equity securities

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

			Ordinary shares	
			Number of holders	**Number of shares**
1	-	1,000	16	1,205
1,001	-	5,000	25	79,798
5,001	-	10,000	46	410,212
10,001	-	100,000	306	13,983,330
100,001		and over	379	622,706,331
			772	**637,180,876**

The number of shareholders holding less than a marketable parcel of shares are: 145

(b) Twenty largest shareholders

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

Rank	Name	Units	% of Units
1.	BOTSIS HOLDINGS PTY LTD	37,600,010	5.90
2.	MR MICHAEL GEORGE FOTIOS <MICHAEL FOTIOS FAMILY A/C>	26,486,148	4.16
3.	TECK RESOURCES LIMITED	25,412,192	3.99
4.	MS BETTY JEANETTE MOORE + MR PHILIP COLIN HAMMOND <BJM SUPERANNUATION FUND A/C>	20,487,500	3.22
5.	MR PHILIP COLIN HAMMOND + MS BETTY JEANETTE MOORE <MGB SUPERANNUATION FUND A/C>	20,437,500	3.21
6.	MR DENIS JOHN REYNOLDS	15,000,000	2.35
7.	MR ROBERT JOHN SMITH	14,748,214	2.31
8.	GASMERE PTY LTD	14,000,000	2.20
9.	INVESTMET LIMITED	11,945,383	1.87
10.	MR ANDREW WILLIAM SPENCER <SPENCER SUPER FUND A/C>	11,400,676	1.79
11.	MANAFIELD HOLDINGS PTY LTD	10,012,500	1.57
12.	RALMANA PTY LTD	10,000,000	1.57
13.	WYLLIE GROUP PTY LTD	9,747,224	1.53
14.	MR SALIM CASSIM	8,000,000	1.26
15.	CEDARFIELD HOLDINGS PTY LTD <CEDARFIELD A/C>	8,000,000	1.26
16.	WESTORIA RESOURCE INVESTMENTS LTD	7,721,324	1.21
17.	MR DAMIAN PAUL DELANEY	7,650,000	1.20
18.	MR BRADLEY GEORGE BOLIN	6,500,000	1.02
19.	MR ANDREW WILLIAM SPENCER <AJ FAMILY A/C>	6,459,348	1.01
20.	ALPHA ADVENTURE 1 LIMITED	6,000,000	0.94
Totals: Top 20 holders of ORDINARY FULLY PAID SHARES (TOTAL)		**277,608,019**	**43.57**
Total Remaining Holders Balance		**359,572,857**	**56.43**

(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
BOTSIS HOLDINGS PTY LTD	37,600,010

(d) Voting rights

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

ASX Additional Information

(e) Unquoted Securities

As at 28 September 2016, the Company has a total of 27,250,000 unlisted options as follows:

Number of Options	Number of Holders	Exercise Price	Expiry Date
21,250,000	31	$0.032	10/12/2016
6,000,000	3	$0.017	22/12/2017
27,250,000	**34**		

(f) Schedule of interests in mining tenements

Project	Country	Tenement ID	Interest
Viking	Australia	E63/1085	100%
Viking	Australia	E63/1086	100%
Viking	Australia	E63/1196	100%
Viking	Australia	E63/1198	100%
Ulysses	Australia	M40/166	100%
Ulysses	Australia	E40/295	100%
Ulysses	Australia	E40/312	100%
Las Opeñas	Argentina	1249-T-05	100%