Genesis Minerals Limited and controlled entities

ABN 72 124 772 041

Annual Financial Report and Directors' Report

for the year ended 30 June 2019

Corporate Directory

ABN 72 124 772 041

Directors
Tommy McKeith (Non-Executive Chairman)
Michael Fowler (Managing Director)
Craig Bradshaw (Non-Executive Director)
Gerry Kaczmarek (Non-Executive Director)

Company Secretary
Geoff James

Registered Office and Principal Place of Business
Unit 6, 1 Clive Street
WEST PERTH WA 6005
Telephone: +61 8 9322 6178

Postal Address
PO Box 937
WEST PERTH WA 6872

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

Auditors
Bentleys
Level 3, 216 St Georges Terrace
PERTH WA 6000

Internet Address
www.genesisminerals.com.au

Email Address
info@genesisminerals.com.au

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

Contents

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 2019.

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

Tommy McKeith	Non-Executive Chairman (Appointed 29 November 2018)
Qualifications	BSc (Hons), GradDip Eng (Mining), MBA
Experience	Mr McKeith is a geologist with 30 years' experience in various mine geology, exploration and business development roles. He was formerly Executive Vice President (Growth and International Projects) for Gold Fields Limited, where he was responsible for global greenfields exploration and project development. Mr McKeith was also Chief Executive Officer of Troy Resources Limited and has held Non-Executive Director roles at Sino Gold Limited and Avoca Resources Limited.
Interest in shares and options	3,500,000 fully paid ordinary shares 1,800,000 options expiring 29 November 2020, exercisable at $0.049 1,500,000 options expiring 29 November 2021, exercisable at $0.053 1,500,000 options expiring 29 November 2022, exercisable at $0.056
Other directorships in listed entities held in the previous three years	Mr McKeith is a non-executive director of Evolution Mining Limited and Arrow Minerals Limited and is non-executive Chairman of Prodigy Gold NL
Michael Fowler	Managing Director (Appointed 16 April 2007)
Qualifications	BSc, MSc, MAusIMM
Experience	Mr Fowler is a geologist and holds a Bachelor of Applied Science degree majoring in geology from Curtin University and a Master of Science degree majoring in Ore Deposit Geology from the University of Western Australia. Mr Fowler brings to the Board over 28 years' experience as an exploration and mining professional with extensive corporate and operational management skills in the minerals industry in Australia, South America and Africa.
Interest in shares and options	13,004,824 fully paid ordinary shares 2,400,000 options expiring 13 December 2019, exercisable at $0.039 2,400,000 options expiring 13 December 2020, exercisable at $0.042 3,600,000 options expiring 13 December 2021, exercisable at $0.045
Other directorships in listed entities held in the previous three years	Mr Fowler resigned as a director of PolarX Limited (formerly Coventry Resources Limited) on 1 December 2017

Directors' Report

Craig Bradshaw	Non-Executive Director (Appointed 7 September 2017)
Qualifications	B.Eng. (Mining)
Experience	Mr Bradshaw is a mining engineer with more than 23 years' experience in the Australian and international mining industry. During his career, he has held numerous senior operational and executive roles with a range of companies and spanning several different commodities. He was Chief Operating Officer for Saracen Mineral Holdings from 2013 to 2017, a leading mid-tier gold producer. Prior to joining Saracen, Mr Bradshaw was Chief Operating Officer for Inter Mining and Navigator Resources, Operations Manager at St Ives Gold Mines for Gold Fields Australia, Mining Manager for Albidon at the Munali Nickel Project in Zambia and Chief Operating Officer for Fox Resources. He also worked for WMC Limited at the Perseverance Nickel Mine and Leinster Nickel Operations. He is currently the CEO of Adaman Resources, a privately owned resource investment company.
Interest in shares and options	800,000 options expiring 13 December 2019, exercisable at \$0.039 800,000 options expiring 13 December 2020, exercisable at \$0.042 1,200,000 options expiring 13 December 2021, exercisable at \$0.045
Other directorships in listed entities held in the previous three years	None
Gerry Kaczmarek	Non-Executive Director (Appointed 20 March 2018)
Qualifications	B.Ec (Acc), CPA, MAICD
Experience	Mr Kaczmarek has almost 40 years' experience working predominantly in the resource sector and specialising in accounting and finance and company management with several emerging and leading mid-tier Australian gold companies. He was Chief Financial Officer and Company Secretary for Saracen Mineral Holdings from 2012 to 2016. He served as Chief Financial Officer and Company Secretary at Troy Resources from 1998 to 2008 and has recently returned to that role. Earlier in his career, he held a range of positions with the CRA/Rio Tinto group and was Chief Financial Officer for a number of other Mid-Tier and Junior Mining Companies.
Interest in shares and options	233,334 fully paid ordinary shares 800,000 options expiring 29 November 2020, exercisable at \$0.049 800,000 options expiring 29 November 2021, exercisable at \$0.053 1,200,000 options expiring 29 November 2022, exercisable at \$0.056
Other directorships in listed entities held in the previous three years	None
Richard Hill	Non-Executive Chairman (Resigned 23 November 2018)
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, mining law and land access issues as well as local and overseas marketing and fund raising.
Interest in shares and options (as at date of resignation)	6,211,322 fully paid ordinary shares 800,000 options expiring 13 December 2019, exercisable at \$0.039 800,000 options expiring 13 December 2020, exercisable at \$0.042 1,200,000 options expiring 13 December 2021, exercisable at \$0.045
Other directorships in listed entities held in the previous three	Mr Hill resigned as a director of Strandline Resources Limited on 1 November 2017

years

COMPANY SECRETARY

Geoff James	Appointed 20 October 2015
Qualifications	B.Bus, CA, AGIA, ACIS
Experience	Mr James is a Chartered Accountant and a member of the Governance Institute. He is an experienced finance professional with over 20 years' experience in senior management roles.

DIRECTORS' MEETINGS

Attendances by each director during the year were as follows:

	Directors Meetings	
	A	**B**
Tommy McKeith	3	3
Michael Fowler	9	9
Craig Bradshaw	9	9
Gerry Kaczmarek	9	9
Richard Hill (resigned 23 November 2018)	6	6

Notes

A – Number of meetings attended.

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

PRINCIPAL ACTIVITIES

The principal activities of the Group during the year were the exploration and development of gold deposits in Western Australia.

DIVIDENDS

No dividend was declared or paid during the current or previous year.

OPERATING AND FINANCIAL REVIEW

Strategy

The Group has had a successful year in moving forward with its strategy to develop a long-term underground mine at the Ulysses Gold Project. The Group ended the year in a strong financial position with exciting growth opportunities ahead for both the Ulysses and Barimaia Gold Projects.

Project Activities

Ulysses Gold Project

The Ulysses Gold Project is located in Western Australia, approximately 30km south of Leonora and 200km north of the regional mining centre of Kalgoorlie. During the year the Company carried out drilling programs, announced a significant increase to the Mineral Resource and completed a Scoping Study on developing a long-term underground mining operation.

Ulysses Deposit – Mineral Resource Upgrade

Following ongoing Reverse Circulation and diamond drilling programs, Genesis announced a **137% increase** in the Mineral Resource for the Ulysses deposit from 321,000oz to **760,000oz** of contained gold[1].

The updated Mineral Resource incorporated the results of previous highly successful drilling programs completed at Ulysses, which returned numerous high-grade intersections that confirmed and extended a number of high-grade gold zones (shoots).

The updated Measured, Indicated and Inferred Mineral Resource now totals **7.1Mt @ 3.3 g/t gold for 760,000 ounces of contained gold**. Importantly, the higher-confidence Measured and Indicated component has increased by **290,000 ounces (162%) to 471,000 ounces**.

[1] Refer to the original ASX announcement dated 9 October 2018 for full details and Table 1 in this report. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of Mineral Resource estimates, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Persons' findings are presented have not materially changed from the original market announcement.

Directors' Report

The high-grade portion of the Mineral Resource (reported at a cut-off grade of 2g/t gold; refer to Table 1 for full details) is estimated to contain **4.1Mt @ 4.7g/t gold for 628,000 ounces**.

The high-grade shoots which form part of the overall Mineral Resource are estimated to contain **1.6Mt @ 6.9g/t gold for 356,000 ounces**. These shoots are visually identifiable in drill chips and core and have been separately modelled and estimated to quantify the higher-grade shoots within the overall Mineral Resource estimate.

The Mineral Resource extends over a strike length of more than 2km and sits immediately below and along strike from the Ulysses Open Pits (see Figures 1 and 3).

The Resource is estimated to an average depth of ~320m below surface, with a gold endowment of +2,400 ounces per vertical metre (ovm) for the 260m interval from the 360mRL (base of the open pits) to the 100mRL (interval of highest drill density). The depth of the Indicated portion of the Resource is shown in Figure 2.

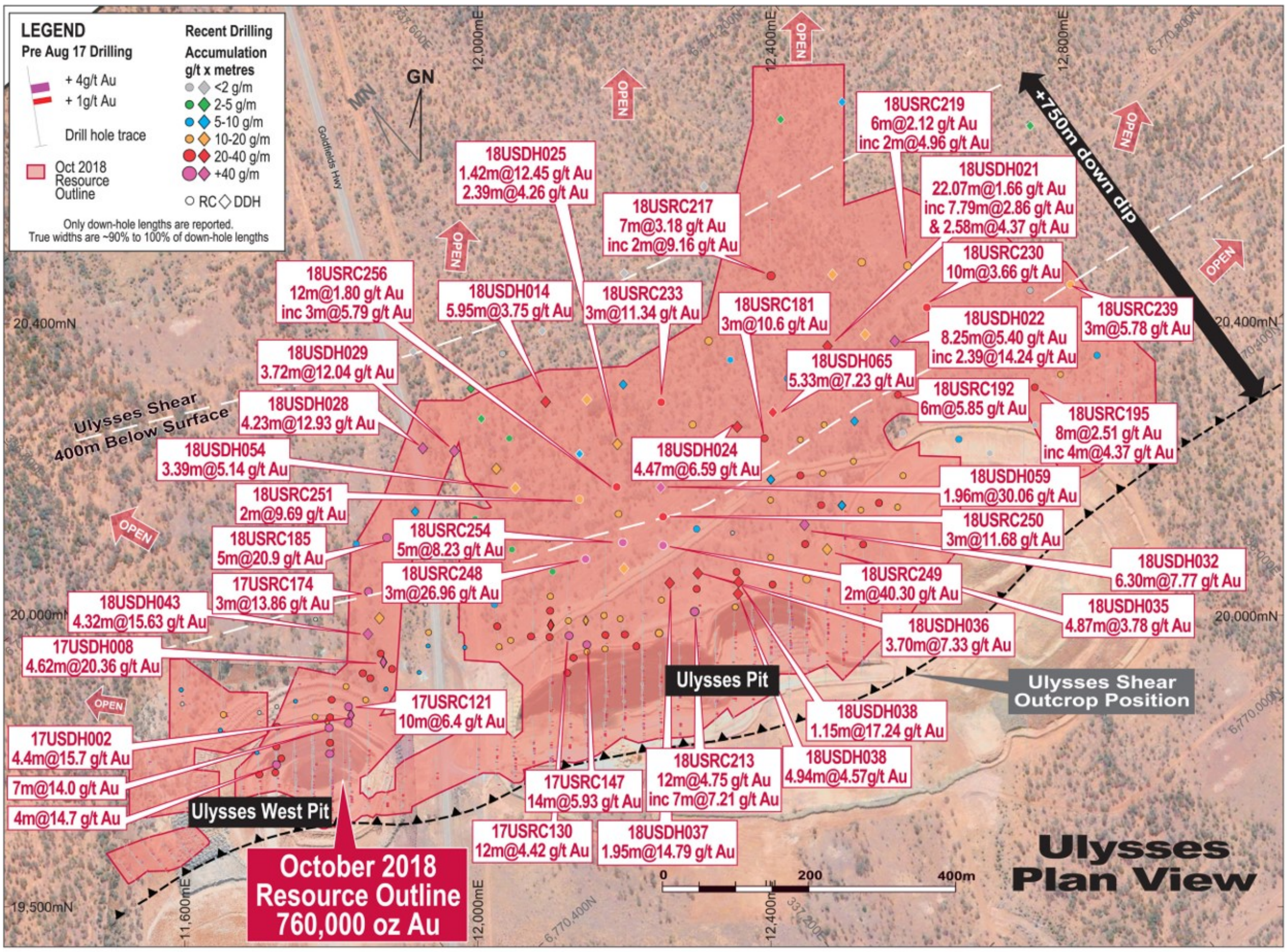

Figure 1. Plan view of the location of the Ulysses Mineral Resource projected to surface. The Mineral Resource outline is shown in red.

Directors' Report

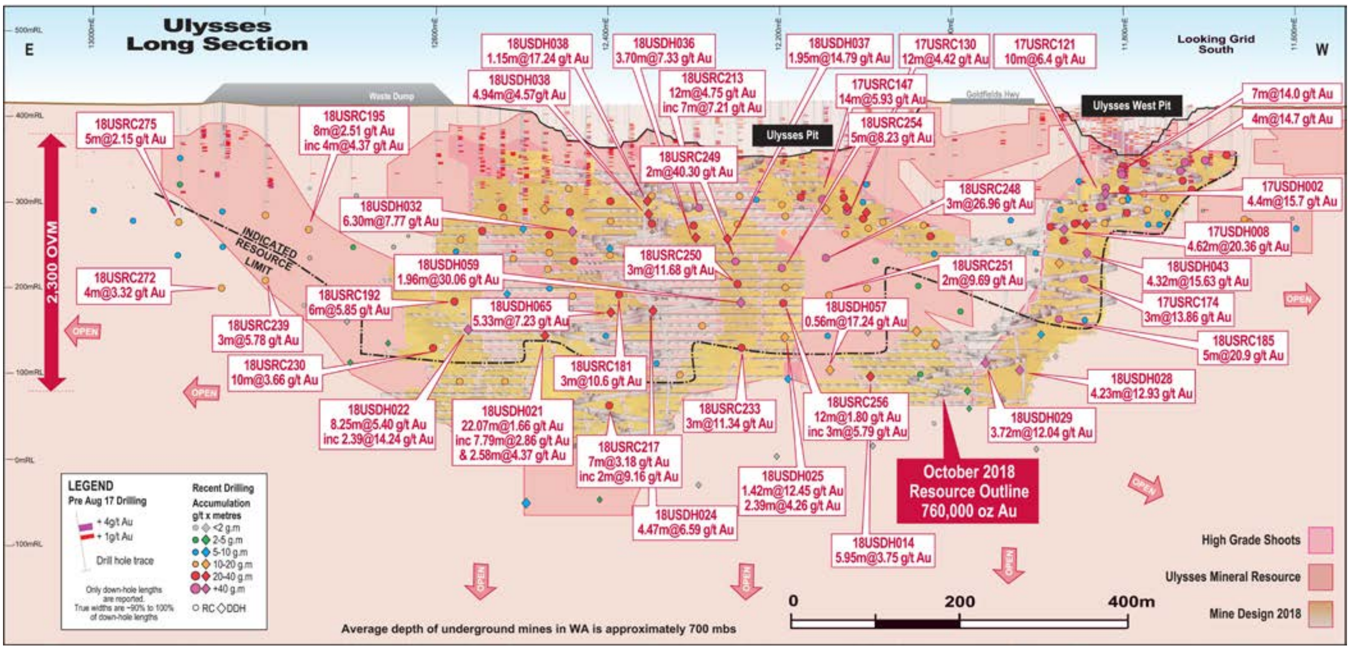

Figure 2. Schematic long section (view looking local grid south on the Ulysses Grid) showing the new Ulysses Mineral Resource and drill results.

A summary of the updated 2018 Ulysses Mineral Resource is provided in Table 1 below:

Table 1. October 2018 Mineral Resource Estimate 0.75g/t Cut-off above 200mRL, 2.0g/t Below 200mRL

Type	Measured		Indicated		Inferred		Total		
	Tonnes t	Au g/t	Tonnes t	Au g/t	Tonnes t	Au g/t	Tonnes t	Au g/t	Au Ounces
Oxide	6,000	2.1	143,000	1.6	146,000	1.6	**295,000**	**1.6**	**15,200**
Transition	6,000	3.1	364,000	1.9	234,000	1.6	**604,000**	**1.8**	**34,700**
Fresh	21,000	5.0	3,647,000	3.7	2,551,000	3.3	**6,220,000**	**3.6**	**710,500**
Total	**33,000**	**4.1**	**4,154,000**	**3.5**	**2,932,000**	**3.0**	**7,119,000**	**3.3**	**760,400**

October 2018 Mineral Resource Estimate 2.0g/t Global Cut-off

Type	Measured		Indicated		Inferred		Total		
	Tonnes t	Au g/t	Tonnes t	Au g/t	Tonnes t	Au g/t	Tonnes t	Au g/t	Au Ounces
Oxide	4,000	2.5	26,000	2.8	22,000	2.2	**51,000**	**2.5**	**4,200**
Transition	5,000	3.3	114,000	3.1	20,000	2.2	**138,000**	**3.0**	**13,400**
Fresh	21,000	5.0	2,323,000	5.2	1,605,000	4.3	**3,949,000**	**4.8**	**610,800**
Total	**29,000**	**4.4**	**2,463,000**	**5.0**	**1,647,000**	**4.3**	**4,139,000**	**4.7**	**628,400**

October 2018 Mineral Resource Estimate High Grade Shoots

Type	Measured		Indicated		Inferred		Total		
	Tonnes t	Au g/t	Tonnes t	Au g/t	Tonnes t	Au g/t	Tonnes t	Au g/t	Au Ounces
HG Shoots	**21,000**	**5.2**	**1,398,000**	**6.4**	**187,000**	**10.8**	**1,606,000**	**6.9**	**356,100**

NB. Rounding differences may occur

The updated Mineral Resource was independently estimated by Payne Geological Services Pty Ltd. Full details of the Mineral Resource estimate are provided in the Company's ASX announcement dated 9 October 2018.

Ulysses Deposit – Scoping Study

Following the delivery of the updated 760,000 ounce Resource for the Ulysses Gold Project, Genesis completed a positive Scoping Study which outlined the potential to develop a standalone gold operation at Ulysses.

Directors' Report

The Scoping Study contemplated the development of an underground mining operation with the construction of a stand-alone 0.8 million tonne per annum (Mtpa) ore processing facility and the results to date clearly demonstrate a project which is financially robust and has strong project fundamentals and low technical risk.

The positive Scoping Study provides the Company with confidence to advance the project through a detailed Feasibility Study while maintaining an aggressive approach to drilling to grow the Ulysses Mineral Resource and target potential new discoveries.

Key observations and conclusions of the November 2018 Scoping Study are:

- The Resources in the proposed Life-of-Mine (LOM) production schedule extracted from the total Mineral Resource of 7.1Mt @ 3.3g/t gold for 760,000oz are ~3.01Mt @ 4.1g/t gold for 400,000oz fully-diluted.
- Resource categories in the proposed LOM production schedule are approximately 0.4% Measured, 79.2% Indicated and 20.4% Inferred.
- A production rate of approximately 0.8Mtpa to 0.9Mtpa is considered the optimum development scenario for the Project and produced the best capital and operating efficiencies.
- Upfront capital costs of ~$84.4M (+/- 35%) have been estimated, comprising $69.6M for a new CIL plant and associated infrastructure and $14.8M for mining pre-production capital and surface infrastructure.
- Gold production based on the proposed LOM production schedule is forecast at ~357,000oz recovered over 4 years.[2]
- Gold production ranges from 41,000oz of gold in Year 1 with a peak of 118,000oz in Year 3 in the LOM plan.
- AISC costs (LOM)[3] are forecast in the range of A$1,000/oz to A$1,100/oz.
- The addition of further Resources will add significant value and improve project economics.

Cautionary Statement

The Scoping Study referred to in this report is based on low level technical and economic assessments that are not sufficient to support the estimation of Ore Reserves or to provide assurance of an economic development case at this stage, or to provide certainty that the conclusions of the Scoping Study will be realised.

The Company considers that the Project is economically viable based on its ability to pay back the project start-up capital and provide ongoing positive operational cash flows. The current Life-of-Mine (LOM) plan has a 91%: 9% proportionate split of Measured and Indicated Mineral Resources to Inferred Mineral Resources for the first three years, during which more than 276,000oz of gold will potentially be mined as considered in the Scoping Study.

Over the LOM production schedule as contemplated in the Study, the remaining one year has a proportionate Measured and Indicated Mineral Resource to Inferred Mineral Resource ratio of 44%: 56%. It is anticipated that the lower confidence material (Inferred Mineral Resources) in the later years of the proposed production schedule will increase in confidence (to Measured and Indicated Mineral Resources) through in-fill drilling as the Ulysses Gold Project progresses through Pre-Feasibility Studies to a Definitive Feasibility Study.

Genesis believes that an initial 4-year production life for approximately 0.36 million ounces of gold produced is possible and will be assessed more fully in a detailed Feasibility Study. Following the delineation of Ore Reserves, the Genesis Board will then consider a decision to proceed with project development.

Further information on the Ulysses Scoping Study is provided in the Company's ASX Announcement dated 23 November 2018.

Ulysses Deposit – Resource Upgrade and Extensional Drilling Results

During the year, Genesis reported the results from ongoing Resource upgrade and extensional drilling programs which were incorporated into the updated Mineral Resource announced on 9 October 2018.

Drilling was completed using a combination of Reverse Circulation (RC) and diamond holes. In-fill drilling was completed in the area between 12,000E and 12,800E, between ~225mRL (base of Resource) and ~100mRL (315m below surface) (see Figures 1 and 2). This covers an area of ~800m (strike extent) x 250m (dip extent) on the Ulysses shear with the drill coverage on ~50m x 50m centres.

Refer to the ASX announcements dated 2 August and 25 September 2018 for full details of the Resource drilling results.

Ulysses East Prospect

During the year Genesis completed several RC drilling programs which intersected significant mineralisation at the Ulysses East prospect (see Figure 3), located at the eastern end of the 760,000oz Ulysses Mineral Resource, highlighting the potential to delineate a significant zone of shallow mineralisation in this area which is potentially amenable to initial extraction via open pit methods.

[2] Refer to the original ASX announcement dated 23 November 2018 for full details of the material assumptions underpinning the production target for the Ulysses Gold Project. The Company confirms that all the material assumptions underpinning the production target continue to apply and have not materially changed.
[3] AISC cost (LOM) – All-in Sustaining Costs are calculated as all operating costs including mining, processing, general administration, royalties and sustaining capital. Excludes initial plant capital. In the Study, the AISC includes Sustaining Costs but excludes start-up CAPEX.

Directors' Report

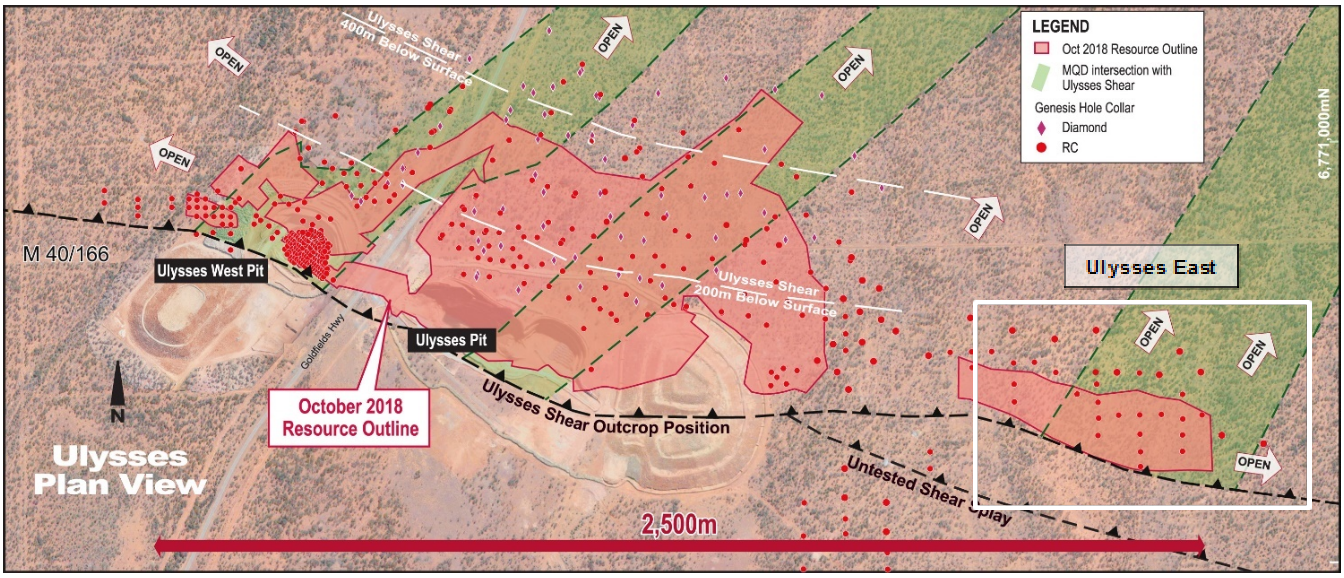

Figure 3. Schematic plan view of Ulysses Resource

Drilling at Ulysses East has defined extensive oxide and primary mineralisation over 600m of strike. The recent drilling has focused on the upper quartz dolerite unit and where it is cut by the Ulysses Shear. The intersection of the magnetic quartz dolerite unit and the Ulysses Shear occurs over 400m and plunges shallowly to moderately to the north-east (shown in Plan View in Figure 4).

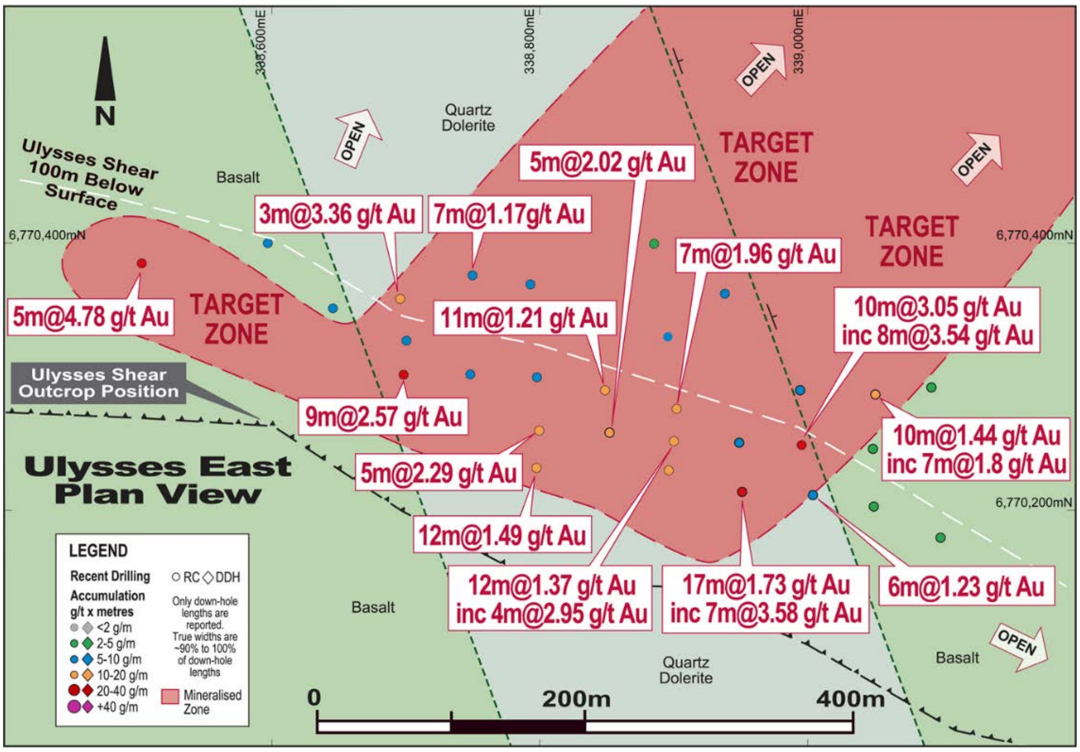

Figure 4. Schematic plan view with recent drill results at Ulysses East.

The results from drilling have demonstrated that mineralisation continues outside and to the east of the Resource with mineralisation open along strike and at depth. The intersection of the Ulysses shear and magnetic, upper quartz dolerite remains a significant drill target.

Full details of the assay results were provided in the Company's ASX Announcements dated 14 January and 2 April 2019.

Orient Well NW Prospect

During the year Genesis completed several RC drilling programs which intersected significant mineralisation at Orient Well NW (see Figure 5), located 10km east of the Ulysses Mineral Resource. Recent drilling has highlighted the potential to delineate shallow Resources in this area which are potentially amenable to extraction via open pit methods.

Directors' Report

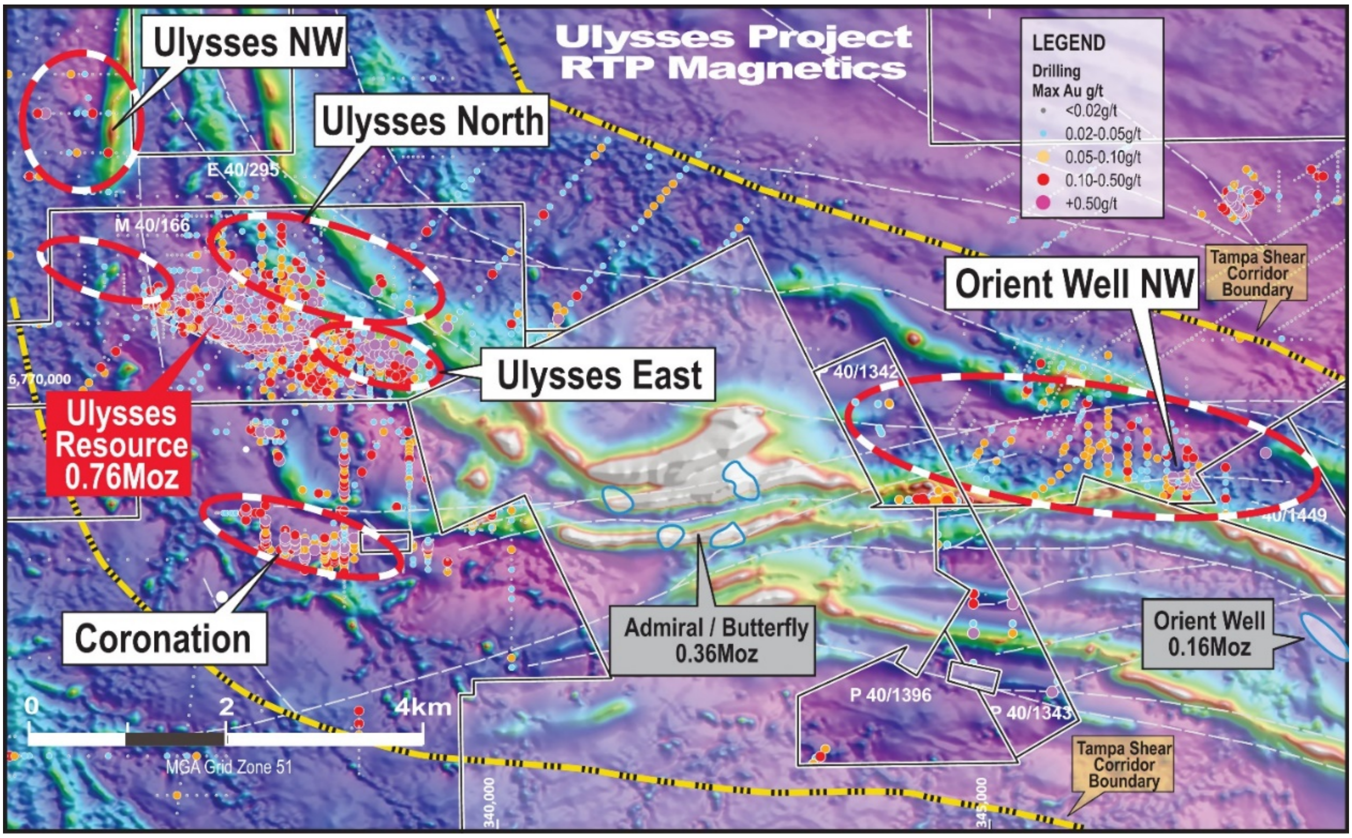

Figure 5. Orient Well NW location ~10km east of the Ulysses Mineral Resource.

Shallow drilling has now been completed at 40 to 20m section spacing with holes spaced at ~40m on section. Results from the drilling indicate the potential for NNW plunging high-grade gold shoots as highlighted in Figure 6. The mineralisation remains open at depth and along strike.

Hole 18USRC302, drilled late in 2018, previously returned an outstanding intercept of **20m @ 9.10g/t Au** from 5m composite sampling. Results from one metre split sampling of this interval has returned a highly significant result of **18m @ 12.20g/t Au from 50m** in highly weathered clay-rich, quartz veined saprolite (oxide zone).

Hole 18USRC345, drilled 40m west of 18USRC302, returned **20m @ 3.37g/t Au from 85m** in quartz veined highly weathered clay-rich saprolite after felsic rocks.

Results from the drilling indicate the potential for a north-westerly plunge to the high-grade gold mineralisation intersected in 18USRC302 and 19USRC345 on the north-dipping structure(s) that controls mineralisation in the area.

Mineralisation in the area is interpreted to have an overall east-west orientation.

The stratigraphy at Orient Well NW comprises a package of felsic and intermediate volcanic rocks above a quartz-magnetite dolerite (prominent in the regional magnetic data) located in the footwall to the volcanic stratigraphy.

The main prospect area is covered by 10 to 15m of transported overburden over a deep saprolite profile up to 50-70m below surface. The primary mineralisation is hosted within a moderately north-dipping, 40-50m thick siliceous felsic volcanic unit (probably a rhyolite) that is quartz-veined and silica-sericite-pyrite altered. The structures controlling the mineralised zone are not yet understood and will be the focus of ongoing work.

Directors' Report

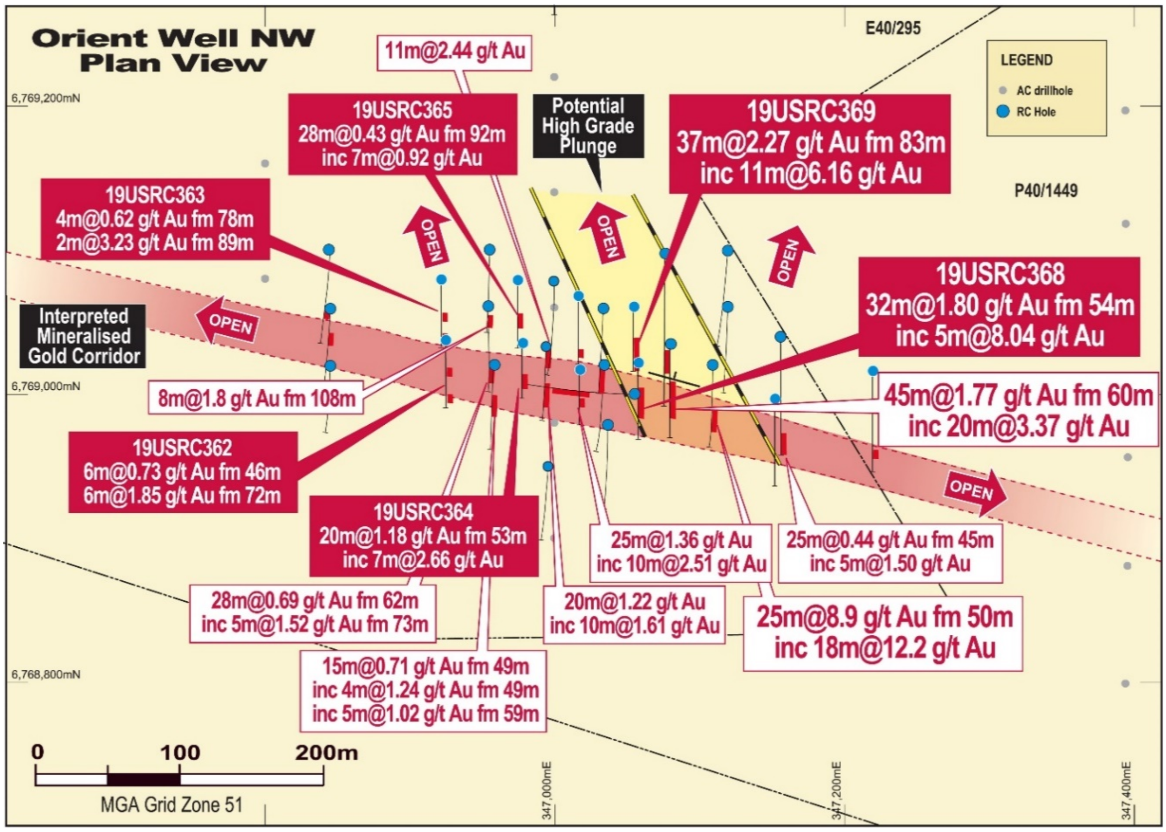

Figure 6. Orient Well NW prospect plan view of RC drilling showing drill intercepts. Recent results in red boxes.

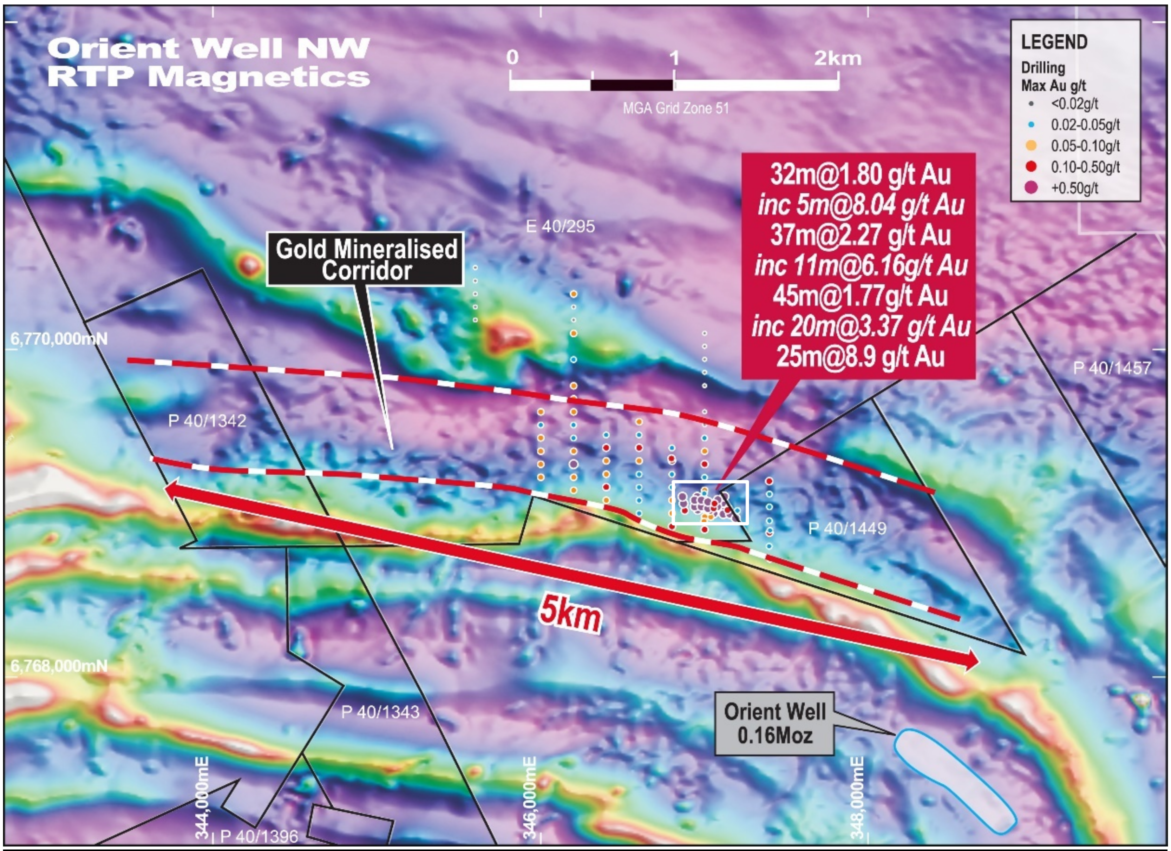

Figure 7. Plan view of east-west trending Orient Well NW gold mineralised corridor. Only Genesis drilling shown on the figure. Area of RC drilling in Figure 6 is highlighted by white rectangle.

Directors' Report

Refer to the ASX announcements dated 2 August 2018, 14 January, 7 May and 22 May 2019 for full details of the exploration results for the Orient Well NW prospect.

Barimaia Joint Venture Gold Project

The Barimaia Joint Venture Gold Project, located in the Murchison district of Western Australia, is a highly prospective ground package located just 5km south-east of the 6Moz Mt Magnet Gold Mine, operated by ASX listed, Ramelius Resources Limited.

The Company considers the Barimaia Project to offer the potential for the discovery of large, low strip ratio porphyry-hosted gold deposits. The Barimaia Project is close to Mt Magnet and a number of other gold processing facilities in the region that may provide a potential low-cost pathway to production should an economic discovery be made.

Genesis completed a 21-hole/2,140m Reverse Circulation (RC) drilling program in November 2018 which further enhanced the prospectivity of the project.

The results defined significant shallow gold mineralisation over 1km of strike, with the wide- spaced drilling focused on the previously identified bedrock gold targets at the McNabs and McNabs East prospects (see Figure 8).

Wide zones of mineralisation were intersected including **74m @ 0.66g/t Au** in 18BARC028 and **29m @ 0.84g/t Au** and **28m @ 0.71g/t Au** in BARC031 from McNabs**.** At the McNabs East Prospect, drilling located up to 1km to the east of the McNabs Prospect intersected **12m @ 1.61g/t Au** in 18BARC041 and **17m @ 0.94g/t Au** in 18BARC046 (see Figure 10).

In July 2019 Genesis completed a wide-spaced **24-hole/1,260m aircore** (AC) drilling program, which was completed on a minimum 100m hole spacings. The results have highlighted extensions to the shallow bedrock gold mineralisation identified previously at the McNabs and McNabs East prospects (see Figure 10).

Significantly, the AC program returned a best result of **2m @ 14.27g/t gold from 25m** in hole 19BAAC105.

Although still at an early stage of definition, the bedrock gold mineralisation identified previously at McNabs and McNabs East is considered to occur within the same east-west oriented structural trend which has previously been drill defined over 1.5km of strike. The new drilling has now extended this interpreted mineralised trend a further 0.5km east with the east-west mineralised corridor now identified over 2.0km and open to the east and west (see Figures 8 - 11).

The recent drilling program was part of a staged, systematic program targeting extensions to the known mineralisation based on a revised geological interpretation which highlighted a distinct east-west trending structural corridor.

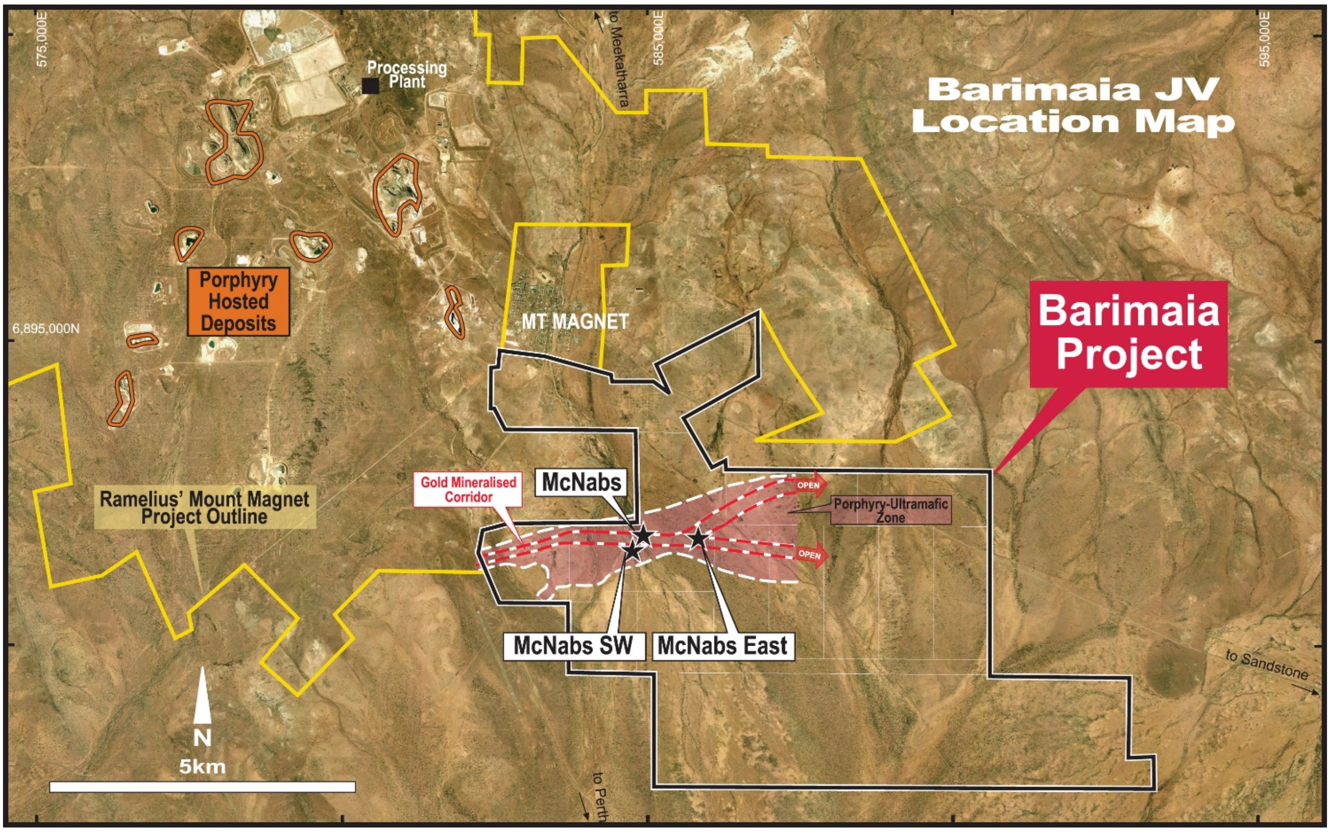

Figure 8. Barimaia Project showing prospect locations. The Barimaia Project is adjacent to Ramelius' Mt Magnet Gold Mine.

Directors' Report

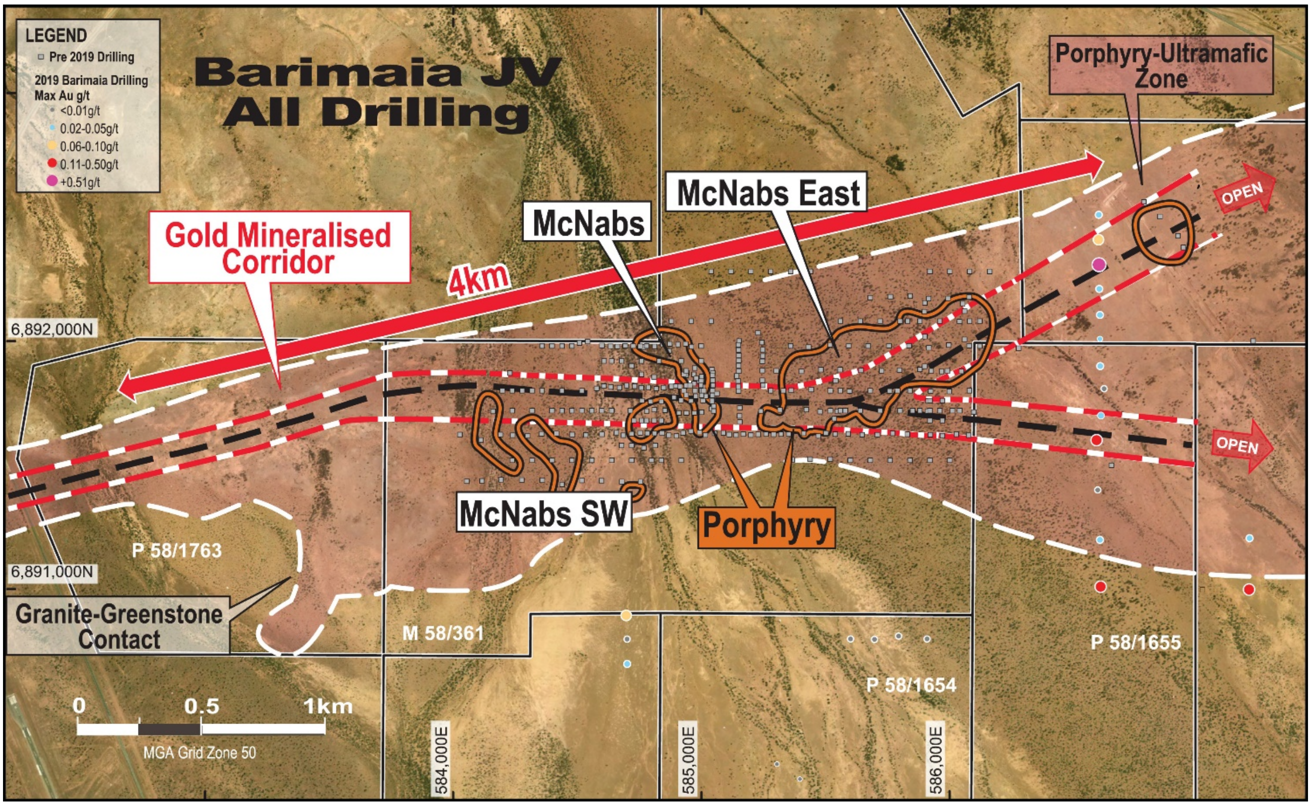

Figure 9. Plan view of the McNabs Prospects and with recently completed Genesis AC holes shown as colour coded circles with white outlines. The east-west trending gold mineralised structural corridor and porphyry-ultramafic rocks is highlighted.

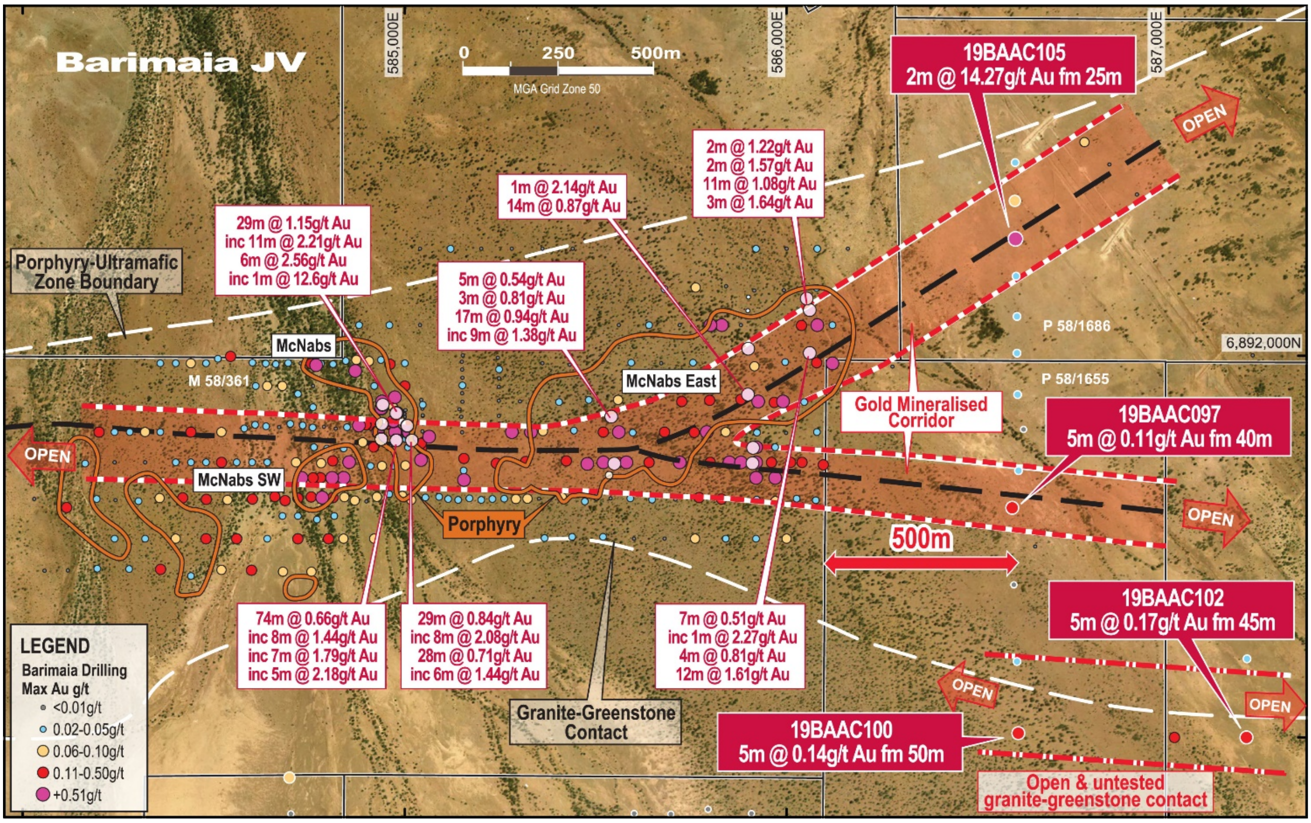

Figure 10. Plan view of the McNabs Prospects and with recently completed Genesis AC holes shown as colour coded circles with white outlines. The east-west trending gold mineralised structural corridor is highlighted. 2018 drilling intercepts (red text) from wide spaced RC drilling with collar locations shown by white circles.

Directors' Report

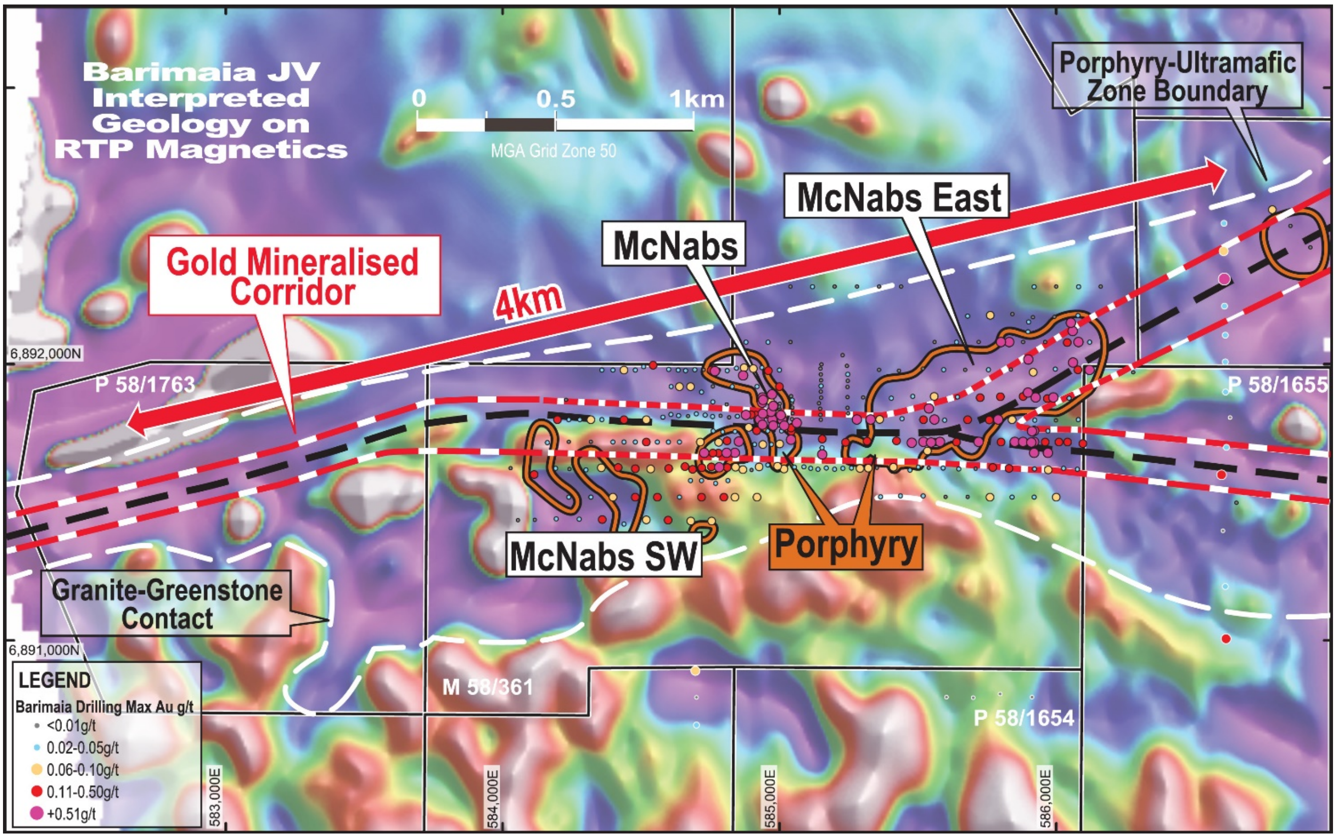

Figure 11. RTP magnetics showing interpreted porphyry – ultramafic corridor and interpreted east-west gold target zone. Magnetic lows show a reasonable correlation to the mapped porphyries from drilling and also highlights the east-west structural corridor.

The Barimaia Joint Venture Gold Project is subject to a Farm-in and Joint Venture Agreement (Mt Magnet JV), under which Genesis has now earned an initial 65% interest in the project by spending $750,000.

Following satisfaction of this initial earn-in Genesis has elected to form a joint venture.

Refer to the ASX announcements dated 6 February and 15 August 2019 for full details of the exploration results for the Barimaia Joint Venture Gold Project.

COMPETENT PERSONS STATEMENTS

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

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

Directors' Report

Finance Review

The Group recorded an operating loss after income tax for the year ended 30 June 2019 of $7,036,589 (2018: $5,573,467). The operating loss for the year arose from expenditure on exploration activities as part of its strategy to develop a long-term underground mine at the Ulysses Gold Project.

At 30 June 2019 cash assets available totalled $2,609,843 (2018: $5,104,901).

The net assets of the consolidated entity decreased from $3,982,642 in 2018 to $1,839,300 at June 30 2019. This decrease is largely attributable to the operating loss recorded for the year offset by issues of equity of $4,760,857 (net of costs).

Operating Results for the Year

Summarised operating results are as follows:

	2019		2018	
	Revenues	Results	Revenues	Results
	$	$	$	$
Group revenues and loss from ordinary activities before income tax expense	**64,454**	**(7,036,589)**	**55,586**	**(5,573,467)**

Shareholder Returns

	2019	2018
Basic and diluted loss per share (cents)	**(0.70)**	**(0.72)**

Factors and Business Risks Affecting Future Business Performance

The following factors and business risks could have a material impact on the Group's success in delivering its strategy:

Access to Funding

The Group's ability to successfully develop projects is contingent on the ability to fund those projects from operating cash flows or through affordable debt and equity raisings.

Exploration and Development

The business of exploration, project development and ultimately production, by its nature, contains elements of significant risk with no guarantee of success. Ultimate and continued success of these activities is dependent on many factors such as:

- discovery of economically recoverable ore reserves;
- access to adequate capital for project development;
- design and construction of efficient development and production infrastructure within capital expenditure budgets;
- securing and maintaining title to interests;
- obtaining necessary consents and approvals;
- access to competent operational management and appropriately skilled personnel;
- mining risks;
- operating risks;
- environmental risks; and
- financial risks.

Commodity Prices and Exchange Rates

Commodity prices fluctuate according to changes in demand and supply. The Group is exposed to changes in commodity prices, which could affect the profitability of the Group's projects. Significant adverse movements in commodity prices could also affect the ability to raise debt and equity to fund exploration and development of projects. The Group will be exposed to changes in the US Dollar. Gold sales are denominated in US Dollars.

Directors' Report

SHARES UNDER OPTION

At the date of this report there are 33,200,000 unissued ordinary shares in respect of which options are outstanding.

	Number of options
Balance at the beginning of the year	25,600,000
Movements of share options during the year	
Issued November 2018, exercisable at 4.9 cents	2,600,000
Issued November 2018, exercisable at 5.3 cents	2,300,000
Issued November 2018, exercisable at 5.6 cents	2,700,000
Total number of options outstanding as at 30 June 2019 and at the date of this report	**33,200,000**

The balance is comprised of the following:

Expiry date	Exercise price (cents)	Number of options
13 December 2019	3.9	4,800,000
31 July 2020	4.8	10,000,000
29 November 2020	4.9	2,600,000
13 December 2020	4.2	4,800,000
29 November 2021	5.3	2,300,000
13 December 2021	4.5	6,000,000
29 November 2022	5.6	2,700,000
Total		**33,200,000**

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 contract of insurance prohibits disclosure of the amount of the premium paid.

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 $5,000,000 (before costs) through the issue of 178,571,429 ordinary shares in total to institutional and sophisticated investors during the year.

Directors' Report

AFTER BALANCE DATE EVENTS

On 2 August 2019, Genesis announced a three part capital raising (**Capital Raising**) to issue, in aggregate, up to 365,451,467 fully paid ordinary shares (subject to rounding) at an issue price of $0.032 per share to raise, in total, up to $11,694,447 (before costs).

As part of the Capital Raising, Australian gold producer Alkane Resources Limited (ACN 000 689 216) (**Alkane**) (ASX: ALK) has agreed to invest up to a maximum of $6,000,000 by subscribing for shares under an initial placement, participating in and partially underwriting an entitlement offer and potentially subscribing for additional shares in a conditional placement.

Following the completion of the Capital Raising, Alkane will become the largest shareholder in the Company. A technical committee with members from Genesis and Alkane will be formed to allow Genesis to leverage Alkane's operational expertise as required. Subject to certain conditions, Alkane will have the right to appoint a Director to the Genesis Board, and have anti-dilution rights to participate in future equity raisings (subject to obtaining the requisite ASX waiver).

The first part of the Capital Raising was the placement issued on 5 August 2019 of 44,327,199 shares at an issue price of $0.032 per Share (**Initial Placement**) to Alkane, to raise $1,418,470 (before transaction costs). The Initial Placement was conducted within the Company's available 15% placement capacity.

The second part of the Capital Raising was the $6,046,363 pro-rata non-renounceable entitlement issue for one (1) Share for every six (6) Shares held by eligible shareholders at an issue price of $0.032 per Share (**Entitlement Offer**) which closed on 29 August 2019.

Pursuant to a partial underwriting agreement between Genesis and Alkane dated 1 August 2019 (**Underwriting Agreement**), Alkane has agreed to partially underwrite the Entitlement Offer up to an amount of $4,229,613. Under the Entitlement Offer and pursuant to the terms and conditions of the Underwriting Agreement, Alkane will be allocated any shortfall (that is, those remaining shares comprising shareholder entitlements that the Company's shareholders elect not to take up) up to the maximum underwriting commitment of $4,229,613, and Genesis will have the right (at its sole discretion) to allocate any further shortfall to shareholders that apply to take up more than their entitlements under the Entitlement Offer.

Genesis announced the results of the Entitlement Offer and details of the shortfall to the ASX on 2 September 2019. A total of 188,949,343 shares (including rounding-up) under the Entitlement Offer were issued on 4 September 2019, including 115,536,074 shares to Alkane raising a total of $6,046,379.

The third and final part of the Capital Raising, as announced on ASX on 2 August 2019, is the proposed issue to Alkane of up to 132,175,411 Shares (subject to rounding) at an issue price of $0.032 per Share to raise up to $4,229,613 (**Conditional Placement**). The issue of shares to Alkane under the Conditional Placement is subject to Shareholder approval at a General Meeting to be held on 17 September 2019.

If, through the Initial Placement and Alkane's participation and underwriting of the Entitlement Offer, Alkane has not invested $6,000,000 and Alkane's shareholding in the Company is less than 15% of the total issued capital in the Company, then the Company will place new shares under the Conditional Placement and Alkane will subscribe for that number of shares that will increase Alkane's investment in the Company to a maximum of 15% of the total issued capital in the Company (subject to a maximum overall investment of $6,000,000).

Following the results of the Entitlement Offer, the Company will be seeking shareholder approval to issue 6,915,958 shares to Alkane under the Conditional Placement.

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

All information regarding likely developments and expected results is contained in the "Operating and Financial Review" section in this report.

ENVIRONMENTAL REGULATION AND PERFORMANCE

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

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

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

Directors' Report

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 23.

CORPORATE GOVERNANCE

A copy of Genesis' 2019 Corporate Governance Statement, which provides detailed information about governance, and a copy of Genesis' Appendix 4G which sets out the Company's compliance with the recommendations in the third edition of the ASX Corporate Governance Council's Principles and Recommendations is available on the corporate governance section of the Company's website at http://www.genesisminerals.com.au/governance.php

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 results in long-term growth in shareholder wealth.

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

Directors' Report

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.

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.

Due to the stage of the Group’s development, no link has been established between remuneration and financial performance. Over the past 5 years, the Group’s activities have primarily been involved with mineral exploration and pre-development activities, with a small-scale mining campaign completed during the 2017 financial year. Shareholder wealth is dependent upon exploration success and has fluctuated accordingly in addition to being influenced by broader market factors.

The table below sets out the performance of the Group and the movement in the share price:

	2019 $	2018 $	2017 $	2016 $	2015 $
Net Loss	(7,036,589)	(5,573,467)	(718,341)	(2,220,550)	(1,527,678)
Share Price at Start of Year	$0.043	$0.016	$0.019	$0.006	$0.021
Share Price at End of Year	$0.023	$0.043	$0.016	$0.019	$0.006

USE OF REMUNERATION CONSULTANTS

The Group did not employ the services of any remuneration consultants during the financial year ended 30 June 2019.

VOTING AND COMMENT MADE ON THE GROUP'S 2018 ANNUAL GENERAL MEETING

The Company received 90.28% of “yes” votes on its remuneration report for the 2018 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 comprise the directors. 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

	2019 $	2018 $
Short-term benefits	**385,316**	**363,853**
Post-employment benefits	**33,285**	**25,172**
Share-based payments	**132,390**	**120,345**
	550,991	**509,370**

Directors' Report

Key management personnel of the Group

	Short-Term Salary & Fees $	**Post Employment** Superannuation $	**Share-Based Payments** Options $	**Total** $	**Proportion of Remuneration Represented by Share-Based Payments** %	**Proportion of Remuneration Performance Based** %
Directors						
Tommy McKeith						
2019	**29,300[1]**	**2,783**	**39,455**	**71,538**	**55.15%**	**-%**
2018	-	-	-	-	-%	-%
Michael Fowler						
2019	**248,016[2]**	**24,802**	**40,740**	**313,558**	**12.99%**	**-%**
2018	220,454[2]	22,045	60,591	303,090	19.99%	-%
Craig Bradshaw						
2019	**30,000**	**2,850**	**13,580**	**46,430**	**29.25%**	**-%**
2018	24,524[3]	2,330	20,197	47,051	42.93%	-%
Gerry Kaczmarek						
2019	**30,000**	**2,850**	**21,212**	**54,062**	**39.24%**	**-%**
2018	8,387[4]	797	-	9,184	-%	-%
Richard Hill						
2019	**48,000[5]**	**-**	**17,403**	**65,403**	**26.61%**	**-%**
2018	79,200[5]	-	20,197	99,397	20.32%	-%
Darren Gordon						
2019	**-[6]**	**-**	**-**	**-**	**-%**	**-%**
2018	31,288[6]	-	19,360	50,648	38.22%	-%
2019	**385,316**	**33,285**	**132,390**	**550,991**		
2018	363,853	25,172	120,345	509,370		

1. T McKeith – appointed as Director on 29 November 2018.
2. M Fowler - includes payment of unused leave entitlements of $20,743 (2018: $Nil).
3. C Bradshaw – appointed as Director on 7 September 2017.
4. G Kaczmarek – appointed as Director on 20 March 2018.
5. R Hill - includes additional consultancy fees of $26,252 (2018:$24,450). Resigned as Director on 23 November 2018.
6. D Gordon - includes additional consultancy fees of $Nil (2018: $3,000). Resigned as Director on 10 May 2018.

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. The Non-Executive Chairman receives a fee of $50,228 per annum, plus statutory superannuation, and Non-Executive Directors receive a fee of $30,000 per annum, plus statutory superannuation.

Mr Fowler has entered into an executive service agreement with the Company. He is engaged to provide services in the capacity of Managing Director and CEO.

Mr Fowler is entitled to a minimum notice period of six months from the Company and the Company is entitled to a minimum notice period of three months from Mr Fowler. In the event of a redundancy due to a successful takeover or merger of the Company, Mr Fowler is entitled to a payment equal to 12 months' salary.

In October 2017, Mr Fowler's salary was set at $227,272 per annum plus 10% superannuation.

Equity instrument disclosures relating to key management personnel

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

7,600,000 options were issued during the year (2018: 16,800,000), valued at $103,810 (2018: $225,600). Nil options were exercised during the year (2018: 6,000,000), nil options lapsed during the year (2018: 1,200,000) and nil options expired (2018: nil).

Details of the vesting profiles of the options granted as remuneration to key management personnel of the Group are detailed below:

Directors' Report

Directors	Number of Options Issued	Grant Date	Expiry Date	Exercise Price	Fair Value Per Option at Grant Date	Year in Which Grant Vests	% Vested During 2019	% Forfeited During 2019
Tommy McKeith								
- Tranche 1	1,800,000	29/11/2018	29/11/2020	$0.049	$0.0110	2019	100%	-%
- Tranche 2	1,500,000	29/11/2018	29/11/2021	$0.053	$0.0138	2020	-%	-%
- Tranche 3	1,500,000	29/11/2018	29/11/2022	$0.056	$0.0161	2021	-%	-%
Michael Fowler								
- Tranche 1	2,400,000	13/12/2017	13/12/2019	$0.039	$0.0109	2018	-%	-%
- Tranche 2	2,400,000	13/12/2017	13/12/2020	$0.042	$0.0133	2019	100%	-%
- Tranche 3	3,600,000	13/12/2017	13/12/2021	$0.045	$0.0152	2020	-%	-%
Craig Bradshaw								
- Tranche 1	800,000	13/12/2017	13/12/2019	$0.039	$0.0109	2018	-%	-%
- Tranche 2	800,000	13/12/2017	13/12/2020	$0.042	$0.0133	2019	100%	-%
- Tranche 3	1,200,000	13/12/2017	13/12/2021	$0.045	$0.0152	2020	-%	-%
Gerry Kaczmarek								
- Tranche 1	800,000	29/11/2018	29/11/2020	$0.049	$0.0110	2019	100%	-%
- Tranche 2	800,000	29/11/2018	29/11/2021	$0.053	$0.0138	2020	-%	-%
- Tranche 3	1,200,000	29/11/2018	29/11/2022	$0.056	$0.0161	2021	-%	-%
Richard Hill[1]								
- Tranche 1	800,000	13/12/2017	13/12/2019	$0.039	$0.0109	2018	-%	-%
- Tranche 2	800,000	13/12/2017	13/12/2020	$0.042	$0.0133	2019	100%	-%
- Tranche 3	1,200,000	13/12/2017	13/12/2021	$0.045	$0.0152	2019	100%	-%

1. R Hill – resigned as Director on 23 November 2018

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:

2019	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						
Options						
Tommy McKeith	**-**	**4,800,000**	**-**	**-**	**4,800,000**	**1,800,000**
Michael Fowler	**8,400,000**	**-**	**-**	**-**	**8,400,000**	**4,800,000**
Craig Bradshaw	**2,800,000**	**-**	**-**	**-**	**2,800,000**	**1,600,000**
Gerry Kaczmarek	**-**	**2,800,000**	**-**	**-**	**2,800,000**	**800,000**
Richard Hill	**2,800,000**	**-**	**-**	**-**	**2,800,000[1]**	**2,800,000[1]**
	14,000,000	**7,600,000**	**-**	**-**	**21,600,000**	**11,800,000**

1. R Hill - balance on resignation on 23 November 2018.

2018	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						
Options						
Richard Hill	**2,000,000**	**2,800,000**	**(2,000,000)**	**-**	**2,800,000**	**800,000**
Michael Fowler	**2,000,000**	**8,400,000**	**(2,000,000)**	**-**	**8,400,000**	**2,400,000**
Craig Bradshaw	**-**	**2,800,000**	**-**	**-**	**2,800,000**	**800,000**
Gerry Kaczmarek	**-**	**-**	**-**	**-**	**-**	**-**
Darren Gordon	**-**	**2,800,000**	**-**	**-**	**2,800,000[1]**	**800,000[1]**
	4,000,000	**16,800,000**	**(4,000,000)**	**-**	**16,800,000**	**4,800,000**

1. D Gordon - balance on resignation on 10 May 2018. 1,200,000 options were forfeited immediately following resignation due to service condition. 800,000 further options also vested immediately following resignation.

Share based compensation

No shares were issued to directors in lieu of fees and salary during the year. 2018: (nil).

Directors' Report

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.

2019	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				
Tommy McKeith	-	-	3,000,000[1]	3,000,000
Michael Fowler	12,167,230	-	-	12,167,230
Craig Bradshaw	-	-	-	-
Gerry Kaczmarek	200,000	-	-	200,000
Richard Hill	7,002,610	-	-	7,002,610[2]
	19,369,840	**-**	**3,000,000**	**22,369,840**

1. T McKeith – balance on appointment on 29 November 2018
2. R Hill - balance on resignation on 23 November 2018

2018	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	4,502,610	2,000,000	500,000[1]	7,002,610
Michael Fowler	10,167,230	2,000,000	-	12,167,230
Craig Bradshaw	-	-	-	-
Gerry Kaczmarek	-	-	200,000[1]	200,000
Darren Gordon	5,839,657	-	-	5,839,657[2]
	20,509,497	**4,000,000**	**700,000**	**25,209,497**

1. On-market purchase of shares
2. D Gordon - balance on resignation on 10 May 2018

Loans to key management personnel

There were no loans to key management personnel during the year. 2018: (nil).

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

There were no other transactions with key management personnel during the year. 2018: (nil).

END OF REMUNERATION 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, 6 September 2019

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 Partner for the audit of the financial statements of Genesis Minerals Limited for the financial year ended 30 June 2019, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours faithfully

Bentleys

BENTLEYS
Chartered Accountants

Mark Delaurentis

MARK DELAURENTIS CA
Partner

Dated at Perth this 6th day of September 2019

Consolidated Statement of Profit or Loss and Other Comprehensive Income

YEAR ENDED 30 JUNE 2019	Notes	2019	2018
		$	$
REVENUE	2	**64,454**	**55,586**
EXPENDITURE			
Mining costs		**(2,528)**	**(107,217)**
Exploration expenses		**(5,846,833)**	**(4,597,640)**
Salaries and employee benefits expense		**(439,408)**	**(343,742)**
Corporate expenses		**(332,668)**	**(208,558)**
Administration costs		**(346,054)**	**(248,900)**
Depreciation expense		**(1,162)**	**(2,651)**
Share based payments expense		**(132,390)**	**(120,345)**
LOSS BEFORE INCOME TAX		**(7,036,589)**	**(5,573,467)**
INCOME TAX BENEFIT/(EXPENSE)	3	**-**	**-**
LOSS FOR THE YEAR		**(7,036,589)**	**(5,573,467)**
OTHER COMPREHENSIVE LOSS FOR THE YEAR, NET OF TAX		**-**	**-**
TOTAL COMPREHENSIVE LOSS FOR THE YEAR ATTRIBUTABLE TO MEMBERS OF GENESIS MINERALS LIMITED		**(7,036,589)**	**(5,573,467)**
Basic and diluted loss per share (cents per share)	12	**(0.70)**	**(0.72)**

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

Consolidated Statement of Financial Position

AT 30 JUNE 2019	Notes	2019	2018
		$	$
CURRENT ASSETS			
Cash and cash equivalents	4	2,609,843	5,104,901
Trade and other receivables	5	36,429	85,959
Prepayments	6	27,893	-
TOTAL CURRENT ASSETS		2,674,165	5,190,860
NON-CURRENT ASSETS			
Plant and equipment	7	6,123	7,285
TOTAL NON-CURRENT ASSETS		6,123	7,285
TOTAL ASSETS		2,680,288	5,198,145
CURRENT LIABILITIES			
Trade and other payables	8	718,236	1,093,416
Provisions	9	122,752	122,087
TOTAL CURRENT LIABILITIES		840,988	1,215,503
TOTAL LIABILITIES		840,988	1,215,503
NET ASSETS		1,839,300	3,982,642
EQUITY			
Issued capital	10	33,820,100	29,059,243
Reserves	11	1,659,080	1,526,690
Accumulated losses		(33,639,880)	(26,603,291)
TOTAL EQUITY		1,839,300	3,982,642

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 2019	Notes	Ordinary Share Capital $	Accumulated Losses $	Options Reserve $	Total $
BALANCE AT 1 JULY 2017		**24,118,945**	**(21,029,824)**	**1,271,927**	**4,361,048**
Loss for the year		-	(5,573,467)	-	**(5,573,467)**
TOTAL COMPREHENSIVE LOSS		**-**	**(5,573,467)**	**-**	**(5,573,467)**
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS					
Shares issued during the year	10	5,352,000	-	-	5,352,000
Share issue transaction costs	10	(411,702)	-	134,418	(277,284)
Share based payments	22	-	-	120,345	120,345
Sub-total		**4,940,298**	**(5,573,467)**	**254,763**	**(378,406)**
BALANCE AT 30 JUNE 2018		**29,059,243**	**(26,603,291)**	**1,526,690**	**3,982,642**

BALANCE AT 1 JULY 2018		**29,059,243**	**(26,603,291)**	**1,526,690**	**3,982,642**
Loss for the year		-	(7,036,589)	-	**(7,036,589)**
TOTAL COMPREHENSIVE LOSS		**-**	**(7,036,589)**	**-**	**(7,036,589)**
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS					
Shares issued during the year	10	5,000,000	-	-	5,000,000
Share issue transaction costs	10	(239,143)	-	-	(239,143)
Share based payments	22	-	-	132,390	132,390
Sub-total		**4,760,857**	**(7,036,589)**	**132,390**	**(2,143,342)**
BALANCE AT 30 JUNE 2019		**33,820,100**	**(33,639,880)**	**1,659,080**	**1,839,300**

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 2019	Notes	2019	2018
		$	$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from gold sales		-	1,217,110
Payments to suppliers and employees		(1,075,243)	(907,531)
Payments for mining activities		(2,528)	(743,990)
Payments for exploration expenditure		(6,254,779)	(3,483,124)
Interest received		76,635	43,077
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	21	(7,255,915)	(3,874,458)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for plant and equipment		-	(950)
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES		-	(950)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issues of ordinary shares		5,000,000	5,102,000
Payments for share issue costs		(239,143)	(277,284)
NET CASH INFLOW FROM FINANCING ACTIVITIES		4,760,857	4,824,716
NET INCREASE IN CASH AND CASH EQUIVALENTS		(2,495,058)	949,308
Cash and cash equivalents at the beginning of the financial year		5,104,901	4,155,593
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	4	2,609,843	5,104,901

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 2019

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 Australian dollars. 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 6 September 2019. 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 2018 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 2018.

(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 $7,036,589 for the year ended 30 June 2019 (2018: $5,573,467). Included within this loss was exploration expenditure of $5,846,833 (2018: $4,597,640).

The net working capital surplus position of the Group at 30 June 2019 was $1,833,177 (2018: $3,975,357). The Group has expenditure commitments relating to work programme obligations of their assets of $441,380 which could potentially fall due in the twelve months to 30 June 2020.

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 19 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 controlled entities in the Group have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

(c) Business Combinations

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 the 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.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

The Group recognises revenue as follows:

(i) Revenue from contract with customers

Revenue is recognised at an amount that reflects the consideration to which the group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration with the transaction price, if any, reflects concessions provided to the customers such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of the variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probably that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

(ii) Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of 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.

(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) Classification of financial instruments

The Group classifies its financial assets into the following measurement categories:

- those to be measured at fair value (either through other comprehensive income, or through profit or loss); and
- those to be measured at amortised cost.

Notes to the Consolidated Financial Statements

30 JUNE 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The classification depends on the Group's business model for managing financial assets and the contractual terms of the financial assets' cash flows.

The Group classifies its financial liabilities at amortised cost unless it has designated liabilities at fair value through profit or loss or is required to measure liabilities at fair value through profit or loss such as derivative liabilities.

(ii) Financial assets measured at amortised cost

Debt instruments

Investments in debt instruments are measured at amortised cost where they have:

- contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest on the principal amount outstanding; and
- are held within a business model whose objective is achieved by holding to collect contractual cash flows.

These debt instruments are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost. The measurement of credit impairment is based on the three-stage expected credit loss model described below in note (c) Impairment of financial assets.

(a) Financial assets measured at fair value through other comprehensive income

Equity instruments

Investment in equity instruments that are neither held for trading nor contingent consideration recognised by the Group in a business combination to which AASB 3 "Business Combination" applies, are measured at fair value through other comprehensive income, where an irrevocable election has been made by management.

Amounts presented in other comprehensive income are not subsequently transferred to profit or loss. Dividends on such investments are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

(b) Items at fair value through profit or loss comprise:

- items held for trading;
- items specifically designated as fair value through profit or loss on initial recognition; and
- debt instruments with contractual terms that do not represent solely payments of principal and interest.

Financial instruments held at fair value through profit or loss are initially recognised at fair value, with transaction costs recognised in the income statement as incurred. Subsequently, they are measured at fair value and any gains or losses are recognised in the income statement as they arise.

Where a financial asset is measured at fair value, a credit valuation adjustment is included to reflect the credit worthiness of the counterparty, representing the movement in fair value attributable to changes in credit risk.

Financial instruments held for trading

A financial instrument is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing in the near term, or forms part of a portfolio of financial instruments that are managed together and for which there is evidence of short-term profit taking, or it is a derivative not in a qualifying hedge relationship.

Financial instruments designated as measured at fair value through profit or loss

Upon initial recognition, financial instruments may be designated as measured at fair value through profit or loss. A financial asset may only be designated at fair value through profit or loss if doing so eliminates or significantly reduces measurement or recognition inconsistencies (i.e. eliminates an accounting mismatch) that would otherwise arise from measuring financial assets or liabilities on a different basis.

A financial liability may be designated at fair value through profit or loss if it eliminates or significantly reduces an accounting mismatch or:

- if a host contract contains one or more embedded derivatives; or
- if financial assets and liabilities are both managed and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Where a financial liability is designated at fair value through profit or loss, the movement in fair value attributable to changes in the Group's own credit quality is calculated by determining the changes in credit spreads above observable market interest rates and is presented separately in other comprehensive income.

Notes to the Consolidated Financial Statements

30 JUNE 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Impairment of financial assets

The Group applies a three-stage approach to measuring expected credit losses (ECLs) for the following categories of financial assets that are not measured at fair value through profit or loss:

- debt instruments measured at amortised cost and fair value through other comprehensive income;
- loan commitments; and
- financial guarantee contracts.

No ECL is recognised on equity investments.

Determining the stage for impairment

At each reporting date, the Group assesses whether there has been a significant increase in credit risk for exposures since initial recognition by comparing the risk of default occurring over the remaining expected life from the reporting date and the date of initial recognition. The Group considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and also, forward-looking analysis.

An exposure will migrate through the ECL stages as asset quality deteriorates. If, in a subsequent period, asset quality improves and also reverses any previously assessed significant increase in credit risk since origination, then the provision for doubtful debts reverts from lifetime ECL to 12-months ECL. Exposures that have not deteriorated significantly since origination are considered to have a low credit risk. The provision for doubtful debts for these financial assets is based on a 12-months ECL. When an asset is uncollectible, it is written off against the related provision. Such assets are written off after all the necessary procedures have been completed and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off reduce the amount of the expense in the income statement.

The Group assesses whether the credit risk on an exposure has increased significantly on an individual or collective basis. For the purposes of a collective evaluation of impairment, financial instruments are grouped on the basis of shared credit risk characteristics, taking into account instrument type, credit risk ratings, date of initial recognition, remaining term to maturity, industry, geographical location of the borrower and other relevant factors.

(d) Recognition and derecognition of financial instruments

A financial asset or financial liability is recognised in the balance sheet when the Group becomes a party to the contractual provisions of the instrument, which is generally on trade date. Loans and receivables are recognised when cash is advanced (or settled) to the borrowers.

Financial assets at fair value through profit or loss are recognised initially at fair value. All other financial assets are recognised initially at fair value plus directly attributable transaction costs.

The Group derecognises a financial asset when the contractual cash flows from the asset expire or it transfers its rights to receive contractual cash flows from the financial asset in a transaction in which substantially all the risks and rewards of ownership are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

A financial liability is derecognised from the balance sheet when the Group has discharged its obligation or the contract is cancelled or expires.

(e) Offsetting

Financial assets and liabilities are offset and the net amount is presented in the balance sheet when the Group has a legal right to offset the amounts and intends to settle on a net basis or to realise the asset and settle the liability simultaneously.

(j) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options 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 at cost. Cost includes expenditure that is directly attributable to the asset.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

(iii) Class of fixed asset useful life (years)

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

Plant and Equipment: 2 to 5 years

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 and 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) Rehabilitation provisions

The Group records the present value of estimated costs of legal and constructive obligations required to restore and rehabilitate operating locations in the period in which the obligation is incurred. The nature of the restoration activities includes restoring ground to its natural state and re-vegetating the disturbed area. When this provision gives access to future economic benefits, an asset is recognised and then subsequently depreciated in line with the life of the underlying asset, otherwise the costs are charged to the income statement.

The obligation arises when the ground/environment is disturbed or an asset is installed at the production location. The liability is initially recognised at the estimated costs, and where it is to be settled in more than 12 months it is discounted to present value. The periodic unwinding of the discount is recognised in the income statement as a finance cost.

(o) Employee benefit provisions

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 have been measured at the amounts expected to be paid when the liability is settled.

(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 into 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.

Notes to the Consolidated Financial Statements

30 JUNE 2019

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 and expenses 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 the 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 JUDGEMENTS

The directors evaluate estimates and judgements 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 (i.e. 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 (i.e. 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 (i.e. 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; and
- Cost approach: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

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

Notes to the Consolidated Financial Statements

30 JUNE 2019

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 by reference to the fair value of the equity instrument at the date at which they are granted (for employees) or their measurement date (for other service providers). For Options, the fair value is determined by an internal valuation using a Black Scholes option pricing model. The valuation relies on the use of certain assumptions. If the assumptions were to change, there may by an impact on the amounts reported. For ordinary shares which are traded on the stock exchange, the fair value is determined by reference to the closing price of the security on the measurement 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 the directors' best estimate, pending an assessment by the Australian Taxation Office.

(vi) Key estimate – rehabilitation provision

Balances disclosed in the consolidated financial statements and the notes thereto, related to rehabilitation provisions, are based on the best estimates of directors. Estimates are required in relation to estimating the extent of rehabilitation activities, including the volume to be rehabilitated and unit rates, technology changes and regulatory changes. When these estimates change or become known in the future, such differences will impact the rehabilitation provision in the period in which they change or become known. A change in any, or a combination of, the key estimates used to determine the provision could have a material impact on the carrying value of the provision.

(vii) 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(viii) 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.

When the Group applies an accounting policy retrospectively, it 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 and revised Standards and amendments thereof and Interpretations effective for the current year that are relevant to the Group include:

- AASB 9 *Financial Instruments* and related amending Standards;
- AASB 15 *Revenue from Contracts with Customers* and related amending Standards; and
- AASB 2016-5 *Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payment Transactions.*

AASB 9 Financial Instruments and related amending Standards

In the current year, the Group has applied AASB 9 Financial Instruments (as amended) and the related consequential amendments to other Accounting Standards that are effective for an annual period that begins on or after 1 January 2018. The transition provisions of AASB 9 allow an entity not to restate comparatives however there was no material impact on adoption of the standard.

Additionally, the Group adopted consequential amendments to AASB 7 Financial Instruments: Disclosures.

In summary AASB 9 introduced new requirements for:

- The classification and measurement of financial assets and financial liabilities;
- Impairment of financial assets; and
- General hedge accounting.

AASB 15 Revenue from Contracts with Customers and related amending Standards

In the current year, the Group has applied AASB 15 Revenue from Contracts with Customers (as amended) which is effective for an annual period that begins on or after 1 January 2018. AASB 15 introduced a 5-step approach to revenue recognition. Far more prescriptive guidance has been added in AASB 15 to deal with specific scenarios.

There was no material impact on adoption of the standard and no adjustment made to current or prior period amounts.

New Accounting Standards and Interpretations for application in future periods

Accounting Standards issued by the AASB that are not yet mandatorily applicable to the Group, together with an assessment of the potential impact of such pronouncements on the Group when adopted in future periods, are discussed below:

AASB 16: Leases

This Standard is applicable to annual reporting periods beginning on or after 1 July 2019. When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: Leases and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new Standard are as follows:

- recognition of a right-of-use asset and lease liability for all leases (excluding short-term leases with a lease term 12 months or less of tenure and leases relating to low-value assets);
- depreciation of right-of-use assets in line with AASB 116: *Property, Plant and Equipment* in profit or loss and unwinding of the liability in principal and interest components;

Notes to the Consolidated Financial Statements

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- inclusion of variable lease payments that depend on an index or a rate in the initial measurement of the lease liability using the index or rate at the commencement date;
- application of a practical expedient to permit a lessee to elect not to separate non-lease components and instead account for all components as a lease; and
- inclusion of additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108 or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application. The Group is in the process of completing its impact assessment of AASB 16. Based on a preliminary assessment performed, the effect of AASB 16 is not expected to have a material effect on the Group.

2. REVENUE

	2019	2018
	$	$
Interest revenue	64,454	55,586
	64,454	55,586

3. INCOME TAX EXPENSE

Statement of Profit or Loss and Other Comprehensive Income		
Current income tax	-	-
Deferred tax	-	-
	-	-

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

	2019	2018
	$	$
Loss from continuing operations before income tax expense	(7,036,589)	(5,573,467)
Australian tax rate	30%	27.5%
Prima facie tax benefit at the Australian tax rate	(2,110,977)	(1,532,703)
Add tax effect of:		
Share-based payments	39,717	33,095
Expenses incurred in deriving non-assessable non-exempt income	-	10,995
Non-deductible expenses	8,161	65,770
Non-assessable income	(98)	(3,440)
Movements in unrecognised temporary differences	(45,350)	26,603
	(2,108,547)	(1,399,680)
Tax effect of current year tax losses for which no deferred tax asset has been recognised	2,108,547	1,399,680
Income tax expense	-	-

(b) Tax Losses

Unused tax losses for which no deferred tax asset has been recognised	14,315,816	12,207,269
Potential tax benefit @ 30% (2018: 27.5%)	4,294,745	3,356,999
Unused capital losses for which no deferred tax asset has been recognised	487,085	487,085
Potential tax benefit @ 30% (2018: 27.5%)	146,126	133,948

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.

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4. CASH AND CASH EQUIVALENTS

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

	2019	2018
	$	$
Cash at bank and in hand	1,089,843	1,509,901
Short-term deposits	1,520,000	3,595,000
Cash and cash equivalents	2,609,843	5,104,901

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.

5. TRADE AND OTHER RECEIVABLES

	2019	2018
	$	$
Trade debtors – GST receivable	33,902	73,451
Other debtor	2,200	-
Other receivables – accrued interest	327	12,508
	36,429	85,959

The Group expects the above trade and other receivables to be recovered within 12 months of 30 June 2019 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 14(A).

6. PREPAYMENTS

	2019	2018
	$	$
Prepaid expenditure	27,893	-
	27,893	-

7. PLANT AND EQUIPMENT

Plant and equipment		
Cost	13,857	13,857
Accumulated depreciation	(7,734)	(6,572)
Net book amount	6,123	7,285
Plant and equipment		
Opening net book amount	7,285	8,986
Additions / (Disposals)	-	950
Depreciation charge	(1,162)	(2,651)
Closing net book amount	6,123	7,285

8. TRADE AND OTHER PAYABLES

Trade payables	553,490	902,527
Other payables and accruals	164,746	190,889
	718,236	1,093,416

9. PROVISIONS

Employee entitlements	72,752	72,087
Rehabilitation	50,000	50,000
	122,752	122,087

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10. ISSUED CAPITAL

1,089,365,941 (30 June 2018: 910,794,512) Ordinary shares	35,434,130	30,434,130
Value of conversion rights - Convertible Notes	25,633	25,633
Share issue costs written off against issued capital	(1,639,663)	(1,400,520)
	33,820,100	29,059,243

MOVEMENT IN ORDINARY SHARES	No.	$
Balance at 1 July 2017	737,180,876	24,118,945
Shares issued to vendors of Metallo Resources Pty Ltd at $0.022 per share – 19 September 2017	11,363,636	250,000
Shares issued upon exercise of $0.017 options – 14 December 2017	2,000,000	34,000
Shares issued upon exercise of $0.017 options – 21 December 2017	4,000,000	68,000
Placement at $0.032 per share – 20 April 2018	138,281,250	4,425,000
Placement at $0.032 per share – 10 May 2018	17,968,750	575,000
Less share issue costs	-	(411,702)
Balance at 30 June 2018	910,794,512	29,059,243
Balance at 1 July 2018	910,794,512	29,059,243
Placement at $0.028 per share – 14 December 2018	178,571,429	5,000,000
Less share issue costs	-	(239,143)
Balance at 30 June 2019	1,089,365,941	33,820,100

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

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

OPTIONS

(a) Options on issue

	2019 No.	2018 No.
Exercisable at 3.9 cents, on or before 13 December 2019	4,800,000	4,800,000
Exercisable at 4.8 cents, on or before 31 July 2020	10,000,000	10,000,000
Exercisable at 4.9 cents, on or before 29 November 2020	2,600,000	-
Exercisable at 4.2 cents, on or before 13 December 2020	4,800,000	4,800,000
Exercisable at 5.3 cents, on or before 29 November 2021	2,300,000	-
Exercisable at 4.5 cents, on or before 13 December 2021	6,000,000	6,000,000
Exercisable at 5.6 cents, on or before 29 November 2022	2,700,000	-
	33,200,000	25,600,000

(b) Movements in options on issue

Beginning of the financial year	25,600,000	6,000,000
Exercised December 2017 at 1.7 cents	-	(6,000,000)
Issued during the year:		
Exercisable at 3.9 cents, on or before 13 December 2019	-	4,800,000
Exercisable at 4.8 cents, on or before 31 July 2020	-	10,000,000
Exercisable at 4.2 cents, on or before 13 December 2020	-	4,800,000
Exercisable at 4.5 cents, on or before 13 December 2021	-	7,200,000
Exercisable at 4.9 cents, on or before 29 November 2020	2,600,000	-
Exercisable at 5.3 cents, on or before 29 November 2021	2,300,000	-
Exercisable at 5.6 cents, on or before 29 November 2022	2,700,000	-
Lapsed 11 May 2018	-	(1,200,000)
End of the financial year	33,200,000	25,600,000

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10. ISSUED CAPITAL (continued)

CAPITAL MANAGEMENT

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

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

The working capital position of the Group at 30 June 2019 is $1,833,177 (2018: $3,975,357).

11. RESERVES AND ACCUMULATED LOSSES

Nature and purpose of reserves

(i) Share-based payments reserve

The share-based payments reserve is used to recognise the fair value of options issued. The movement in the reserve is reconciled as follows:

	2019 $	2018 $
Balance at the beginning of the financial year	**1,526,690**	**1,271,927**
Recognition of share-based payments for options issued to corporate advisor	**-**	**134,418**
Recognition of share-based payments for options issued to directors	**132,390**	**120,345**
Balance at the end of the financial year	**1,659,080**	**1,526,690**

12. LOSS PER SHARE

	2019 $	2018 $
(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	(7,036,589)	(5,573,467)

	2019 Number of shares	2018 Number of shares
(b) Weighted average number of ordinary shares used as the denominator in calculating basic and diluted loss per share	1,007,663,397	778,610,048
Basic and diluted EPS (cents per share)	(0.70)	(0.72)

13. 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:

	2019 $	2018 $
Within one year	**441,380**	**548,900**
Greater than one year but less than five years	**1,372,877**	**1,501,366**
	1,814,257	**2,050,266**

The above exploration commitments includes the Barimaia Joint Venture Gold Project which is subject to a Farm-In and Joint Venture Agreement (Mt Magnet Joint Venture) under which the Group has earned an initial 65% interest in the Project. Refer to note 24 for details of the Mt Magnet Joint Venture.

14. FINANCIAL RISK MANAGEMENT

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

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

Notes to the Consolidated Financial Statements

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14. FINANCIAL RISK MANAGEMENT (continued)

The Group's financial instruments consist mainly of deposits with banks, accounts receivable and payables 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:

	2019 $	2018 $
Financial Assets		
Cash and cash equivalents	2,609,843	5,104,901
Trade and other receivables	36,429	85,959
Total financial assets	2,646,272	5,190,860
Financial Liabilities		
Trade and other payables	718,236	1,093,416
Total financial liabilities	718,236	1,093,416

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 holding cash and cash equivalents and 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.

The Group's policy for reducing credit risk from holding cash is to ensure cash is only invested with counterparties with Standard & Poor's rating of at least AA-. The credit rating of the Group's bank is AA-.

The Group did not have any significant revenue sources during the 2018 or 2019 financial year. The Group does not have any receivables that are past due or impaired at the reporting date.

(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) Commodity price risk

The Group is exposed to commodity price volatility on the sale of gold, which is based on the spot price as quoted by the Perth Mint. The Group had no gold sales during the 2019 financial year.

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14. FINANCIAL RISK MANAGEMENT (continued)

(ii) Foreign exchange risk

The Group is exposed to the Australian dollar currency risk on gold sales, which are denominated in US dollars. No hedging arrangements have been put in place to manage the currency risk.

(iii) Interest rate risk

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

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

Interest Rate 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 all other variables are held constant.

	PROFIT		EQUITY	
	100 Basis Points Increase	100 Basis Points Decrease	100 Basis Points Increase	100 Basis Points Decrease
2019	$26,098	($26,098)	$26,098	($26,098)
2018	$51,049	($51,049)	$51,049	($51,049)

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.

15. KEY MANAGEMENT PERSONNEL DISCLOSURES

Key management personnel compensation

	2019 $	2018 $
Short-term benefits	385,316	363,853
Post-employment benefits	33,285	25,172
Share-based payments	132,390	120,345
	550,991	509,370

16. REMUNERATION OF AUDITORS

	2019 $	2018 $
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	34,505	33,750
Total remuneration for audit services	34,505	33,750

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17. CONTINGENCIES

As part of the terms of the acquisition of the Ulysses Gold Project, the Group 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. 52,653 dry metric tonnes of ore product from the Ulysses Gold Project has been processed to date.
- 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.

18. 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 19.

(c) Appointment and Resignation of Directors

Mr Tommy McKeith was appointed as Non-Executive Chairman on 29 November 2018. Mr Richard Hill resigned as Non-Executive Chairman on 23 November 2018.

(d) 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 15: Key Management Personnel Disclosures (KMP) and the Remuneration Report in the Directors' Report.

There were no other related party transactions during the year.

19. 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)	
			2019 %	2018 %
Ulysses Mining Pty Ltd	Australia	Ordinary	**100**	**100**
Metallo Resources Pty Ltd	Australia	Ordinary	**100**	**100**
Metallo (Chile) Pty Ltd(2)	Australia	Ordinary	**-**	**100**

(1) The proportion of ownership interest is equal to the proportion of voting power held.
(2) Dormant entity. Company was deregistered during the 2019 financial year.

20. EVENTS AFTER THE BALANCE SHEET DATE

On 2 August 2019, Genesis announced a three part capital raising (**Capital Raising**) to issue, in aggregate, up to 365,451,467 fully paid ordinary shares (subject to rounding) at an issue price of $0.032 per share to raise, in total, up to $11,694,447 (before costs).

As part of the Capital Raising, Australian gold producer Alkane Resources Limited (ACN 000 689 216) (**Alkane**) (ASX: ALK) has agreed to invest up to a maximum of $6,000,000 by subscribing for shares under an initial placement, participating in and partially underwriting an entitlement offer and potentially subscribing for additional shares in a conditional placement.

Following the completion of the Capital Raising, Alkane will become the largest shareholder in the Company. A technical committee with members from Genesis and Alkane will be formed to allow Genesis to leverage Alkane's operational expertise as required. Subject to certain conditions, Alkane will have the right to appoint a Director to the Genesis Board, and have anti-dilution rights to participate in future equity raisings (subject to obtaining the requisite ASX waiver).

The first part of the Capital Raising was the placement issued on 5 August 2019 of 44,327,199 shares at an issue price of $0.032 per Share (**Initial Placement**) to Alkane, to raise $1,418,470 (before transaction costs). The Initial Placement was conducted within the Company's available 15% placement capacity.

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20. EVENTS AFTER THE BALANCE SHEET DATE (continued)

The second part of the Capital Raising was the $6,046,363 pro-rata non-renounceable entitlement issue for one (1) Share for every six (6) Shares held by eligible shareholders at an issue price of $0.032 per Share (**Entitlement Offer**) which closed on 29 August 2019.

Pursuant to a partial underwriting agreement between Genesis and Alkane dated 1 August 2019 (**Underwriting Agreement**), Alkane has agreed to partially underwrite the Entitlement Offer up to an amount of $4,229,613. Under the Entitlement Offer and pursuant to the terms and conditions of the Underwriting Agreement, Alkane will be allocated any shortfall (that is, those remaining shares comprising shareholder entitlements that the Company's shareholders elect not to take up) up to the maximum underwriting commitment of $4,229,613, and Genesis will have the right (at its sole discretion) to allocate any further shortfall to shareholders that apply to take up more than their entitlements under the Entitlement Offer.

Genesis announced the results of the Entitlement Offer and details of the shortfall to the ASX on 2 September 2019. A total of 188,949,343 shares under the Entitlement Offer were issued on 4 September 2019, including 115,536,074 shares to Alkane raising a total of $6,046,379.

The third and final part of the Capital Raising, as announced on ASX on 2 August 2019, is the proposed issue to Alkane of up to 132,175,411 Shares (subject to rounding) at an issue price of $0.032 per Share to raise up to $4,229,613 (**Conditional Placement**). The issue of shares to Alkane under the Conditional Placement is subject to Shareholder approval at a General Meeting to be held on 17 September 2019.

If, through the Initial Placement and Alkane's participation and underwriting of the Entitlement Offer, Alkane has not invested $6,000,000 and Alkane's shareholding in the Company is less than 15% of the total issued capital in the Company, then the Company will place new shares under the Conditional Placement and Alkane will subscribe for that number of shares that will increase Alkane's investment in the Company to a maximum of 15% of the total issued capital in the Company (subject to a maximum overall investment of $6,000,000).

Following the results of the Entitlement Offer, the Company will be seeking shareholder approval to issue 6,915,958 shares to Alkane under the Conditional Placement.

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.

21. CASH FLOW INFORMATION

	2019 $	2018 $
(a) Reconciliation of net loss after income tax to net cash inflow/(outflow) from operating activities		
Net loss for the year	**(7,036,589)**	**(5,573,467)**
Non-Cash Items		
Depreciation of non-current assets	**1,162**	**2,651**
Share based payments expense	**132,390**	**120,345**
Shares issued to acquire Metallo Resources Pty Ltd and expensed as exploration expenses	**-**	**250,000**
Change in operating assets and liabilities, net of effects from purchase of controlled entities		
Decrease/(increase) in trade and other receivables	**49,530**	**1,040,259**
Decrease/(increase) in prepayments	**(27,893)**	**-**
(Decrease)/increase in trade and other payables	**(375,180)**	**265,765**
(Decrease)/increase in provisions	**665**	**19,989**
Net cash inflow/(outflow) from operating activities	**(7,255,915)**	**(3,874,458)**

(b) Non-cash investing and financing activities

There were no non-cash and financing activities during the current year. During the previous year the Group acquired Metallo Resources Pty Ltd on 19 September 2017 by means of issuing 11,363,636 shares at a price of $0.022 per share for total consideration of $250,000.

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22. SHARE BASED PAYMENTS

Share-based payments including options are granted at the discretion of the Board to align the interests of directors, executives and employees with those of shareholders.

Each option issued converts into one ordinary share of Genesis Minerals Limited on exercise. No amounts are paid or payable by the recipient on receipt of the option. Options neither carry rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry by paying the exercise price.

7,600,000 options, valued at $103,810, were issued to directors during the year (2018: 16,800,000). Nil options were exercised during the year (2018: 6,000,000), nil options lapsed during the year (2018: 1,200,000) and nil options expired (2018: nil).

An amount of $132,390 was expensed to share based payments for the options issued to directors (2018: $120,345).

Details of the options on issue during the current and previous year are set out below:

Grant Date	Expiry Date	Fair Value at Valuation Date (cents)	Exercise Price (cents)	Number 30 June 2018	Number Vested and Exercisable at 30 June 2018	Number 30 June 2019	Number Vested and Exercisable at 30 June 2019
13/12/17	13/12/19	1.09	3.9	4,800,000	4,800,000	4,800,000	4,800,000
20/04/18	31/07/20	1.34	4.8	10,000,000	10,000,000	10,000,000	10,000,000
13/12/17	13/12/20	1.33	4.2	4,800,000	800,000	4,800,000	4,800,000
13/12/17	13/12/21	1.52	4.5	6,000,000	-	6,000,000	1,200,000
29/11/18	29/11/20	1.10	4.9	-	-	2,600,000	2,600,000
29/11/18	29/11/21	1.38	5.3	-	-	2,300,000	-
29/11/18	29/11/22	1.61	5.6	-	-	2,700,000	-
Total				**25,600,000**	**15,600,000**	**33,200,000**	**23,400,000**

The movement in options on issue during the current and previous year is reconciled as follows:

	Number of Options	Weighted Average Exercise Price (cents)	Weighted Average Contractual Life (days)
Options outstanding at 30 June 2017	6,000,000	1.70	175
Options outstanding at 30 June 2018	25,600,000	4.45	861
Issued during the year	7,600,000	5.27	
Exercised during the year	-		
Lapsed during the year	-		
Options outstanding at 30 June 2019	33,200,000	4.64	586

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

Valuation date	23/11/18(1)	23/11/18(1)	23/11/18(1)
Valuation date fair value	$0.0110	$0.0138	$0.0161
Valuation date share price	$0.030	$0.030	$0.030
Exercise price	$0.049	$0.053	$0.056
Expected volatility	91.17%	91.17%	91.17%
Option life	2 years	3 years	4 years
Expiry date	29/11/20	29/11/21	29/11/22
Risk-free interest rate	2.03%	2.10%	2.30%

(1) The date of the 2018 AGM has been used as the valuation date.

Notes to the Consolidated Financial Statements

30 JUNE 2019

23. PARENT ENTITY INFORMATION

	2019	2018
	$	$

The following information relates to the parent entity, Genesis Minerals Limited, at 30 June 2019. The information presented here has been prepared using accounting policies consistent with those presented in Note 1.

	2019 $	2018 $
Current assets	2,674,165	5,190,560
Non-current assets	6,123	7,285
Total assets	2,680,288	5,197,845
Current liabilities	(790,988)	(1,150,529)
Total liabilities	(790,988)	(1,150,529)
Net assets	1,889,300	4,047,316
Issued capital	33,820,100	29,059,243
Reserves	1,659,080	1,526,690
Accumulated losses	(33,589,880)	(26,538,617)
Total equity	1,889,300	4,047,316
Loss for the year	(7,051,263)	(4,984,003)
Total comprehensive loss for the year	(7,051,263)	(4,984,003)

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 2019 or 30 June 2018.

24. FARM-IN AND JOINT VENTURE COMMITMENTS

The Barimaia Joint Venture Gold project is subject to a Farm-In and Joint Venture Agreement (Mt Magnet Joint Venture) under which the Group's 100% owned subsidiary, Metallo Resources Pty Ltd ("Metallo") has earned an initial 65% interest in the Project by spending $750,000 on exploration activities over a three year period ending 26 February 2019.

Following satisfaction of the initial 65% earn-in, Metallo elected to form a joint venture on 18 March 2019.

The terms and conditions of the joint venture agreement are still being finalised as at 30 June 2019.

Directors' Declaration

In the directors' opinion:

(a) the financial statements and notes set out on pages 24 to 46 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 2019 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.

M Fowler

Michael Fowler

Managing Director

Perth, 6 September 2019

Independent Auditor's Report

To the Members of Genesis Minerals Limited

Bentleys
THINKING AHEAD

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Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Genesis Minerals Limited ("the Company") and its subsidiaries ("the Consolidated Entity"), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion:

a. the accompanying financial report of the Consolidated Entity 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 2019 and of its financial performance for the year then ended; and

   (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

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

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Consolidated Entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Exploration Expenditure During the year the Consolidated Entity incurred exploration expenses of $5,846,833. Exploration expenditure is a key audit matter due to: – The significance to the Consolidated Entity's statement of profit or loss and other comprehensive income; and – The level of judgement required in evaluating management's application of the requirements of AASB 6 *Exploration for and Evaluation of Mineral Resources*. AASB 6 is an industry specific accounting standard requiring the application of significant judgements, estimates and industry knowledge.	Our procedures included, amongst others: – Assessing management's determination of its areas of interest for consistency with the definition in AASB 6. This involved analysing the tenements in which the Consolidated Entity holds an interest and the exploration programs planned for those tenements. – For a sample of tenements, we assessed the Consolidated Entity's rights to tenure by corroborating to government registries; and – We tested exploration expenditure for the year by evaluating a sample of recorded expenditure for consistency to underlying records, the requirements of the Consolidated Entity's accounting policy and the requirements of AASB 6.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Consolidated Entity's annual report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors 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 Australian Accounting Standard *AASB 101 Presentation of Financial Statements*, that the financial report complies with International Financial Reporting Standards.

In preparing the financial report, the directors are responsible for assessing the Consolidated Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Consolidated Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our responsibility is to express an opinion on the financial report based on our audit. Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Consolidated Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Consolidated Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Consolidated Entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Consolidated Entity audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2019. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with s 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion, the Remuneration Report of the Company, for the year ended 30 June 2019, complies with section 300A of the Corporations Act 2001.

Bentleys

BENTLEYS
Chartered Accountants

Mark Delaurentis

MARK DELAURENTIS CA
Partner

Dated at Perth this 6th day of September 2019

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 4 September 2019.

(a) Distribution of equity securities

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

			Unlisted Options		Ordinary shares	
			Number of holders	Number of options	Number of holders	Number of shares
1	-	1,000	-	-	38	5,390
1,001	-	5,000	-	-	24	76,225
5,001	-	10,000	-	-	39	353,161
10,001	-	100,000	-	-	474	21,966,543
100,001		and over	7	33,200,000	751	1,300,241,164
			7	**33,200,000**	**1,326**	**1,322,642,483**

The number of shareholders holding less than a marketable parcel of shares are: 154

(b) Twenty largest shareholders

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

Rank	Name	Units	% of Units
1.	ALKANE RESOURCES LTD	192,517,808	14.56
2.	BOTSIS HOLDINGS PTY LTD	66,000,000	4.99
3.	STEFEAD INVESTMENTS PTY LTD <SWEENEY FAMILY A/C>	62,176,525	4.70
4.	ARGONAUT SECURITIES PTY LIMITED <ASPL CLIENT NO1 A/C>	46,872,743	3.54
5.	THANKS HOLDINGS PTY LTD <HANKS INVESTMENT A/C>	30,712,722	2.32
6.	EQUITY TRUSTEES LIMITED <LOWELL RESOURCES FUND A/C>	24,562,068	1.86
7.	MR DENIS JOHN REYNOLDS	22,500,000	1.70
8.	CIG (WA) PTY LTD <CLARK FAMILY A/C>	18,616,438	1.41
9.	HOP VALLEY HOLDINGS PTY LTD <IZZARD FAMILY A/C>	18,616,437	1.41
10.	HANKS HOLDINGS PTY LTD <THE HANKS SUPER FUND A/C>	17,187,500	1.30
11.	BT PORTFOLIO SERVICES LIMITED <WARRELL HOLDINGS S/F A/C>	15,166,667	1.15
12.	SACROSANCT PTY LTD <SACROSANCT SUPER FUND A/C>	14,000,000	1.06
13.	MR ROBERT JOHN SMITH	13,191,071	1.00
14.	HILLBOI NOMINEES PTY LTD	12,982,979	0.98
15.	SUPER SEED PTY LTD <THE WERSMAN SUPER FUND A/C>	12,423,214	0.94
16.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	12,229,906	0.92
17.	WYLLIE GROUP PTY LTD	11,371,762	0.86
18.	CITICORP NOMINEES PTY LIMITED	10,062,822	0.76
19.	MS SHELLEY KATHLEEN LEWIS <LEWIS A/C>	10,000,000	0.76
20.	RALMANA PTY LTD	10,000,000	0.76
Totals: Top 20 holders of ORDINARY FULLY PAID SHARES (TOTAL)		**621,190,662**	**46.97**
Total Remaining Holders Balance		**701,451,821**	**53.03**

(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
ALKANE RESOURCES LIMITED	192,517,808
BOTSIS HOLDINGS PTY LTD	66,000,000

(d) Voting rights

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

ASX Additional Information

Project	Country	Tenement ID	Interest (%)
Ulysses	Australia	M40/166	100
Ulysses	Australia	E40/295	100
Ulysses	Australia	E40/312	100
Ulysses	Australia	E40/359	100
Ulysses	Australia	P37/9140	100
Ulysses	Australia	P37/9141	100
Ulysses	Australia	P37/9142	100
Ulysses	Australia	P40/1449	100
Ulysses	Australia	P40/1457	100
Ulysses	Australia	P40/1342	100
Ulysses	Australia	P40/1343	100
Ulysses	Australia	P40/1396	100
Barimaia	Australia	E58/497	Note 1
Barimaia	Australia	P58/1686	Note 1
Barimaia	Australia	P58/1687	Note 1
Barimaia	Australia	P58/1688	Note 1
Barimaia	Australia	P58/1689	Note 1
Barimaia	Australia	P58/1690	Note 1
Barimaia	Australia	P58/1691	Note 1
Barimaia	Australia	P58/1692	Note 1
Barimaia	Australia	P58/1655	Note 1
Barimaia	Australia	P58/1654	Note 1
Barimaia	Australia	M58/361	Note 1
Barimaia	Australia	P58/1752	Note 1
Barimaia	Australia	P58/1751	Note 1
Barimaia	Australia	P58/1762	Note 1
Barimaia	Australia	P58/1763	Note 1
Barimaia	Australia	P58/1764	Note 1
Barimaia	Australia	P58/1765	Note 1

Note 1: The Company has earned a 65 per cent interest in the Barimaia Joint Venture Gold Project (the Mt Magnet JV).

Mineral Resources Information

MINERAL RESOURCES AND ORE RESERVES ANNUAL STATEMENT AND REVIEW

The Company carries out an annual review of its Mineral Resources and Ore Reserves as required by the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code) 2012 edition and the ASX Listing Rules. The review was carried out as at 30 June 2019.

During the year Genesis announced a **137% increase** in the Mineral Resource estimate for the Ulysses Gold Project from 321,000oz to **760,000oz** of contained gold.

The updated Mineral Resource incorporated the results of previous highly successful drilling programs completed at Ulysses, which returned numerous high-grade intersections that confirmed and extended a number of high-grade gold zones (shoots).

The updated Measured, Indicated and Inferred Mineral Resource now totals **7.1Mt @ 3.3 g/t gold for 760,000 ounces of contained gold**, which represents a 137% increase in contained ounces and a 10% increase in grade when compared with the previously announced February 2018 Mineral Resource. Importantly, the higher-confidence Measured and Indicated component has increased by **290,000 ounces (162%) to 471,000 ounces**.

The high-grade portion of the Mineral Resource (reported at a cut-off grade of 2g/t gold; refer to Table 1 for full details) is estimated to contain **4.1Mt @ 4.7g/t gold for 628,000 ounces**.

The high-grade shoots which form part of the overall Mineral Resource are estimated to contain **1.6Mt @ 6.9g/t gold for 356,000 ounces**. This represents a 66% increase in contained ounces and a 25% increase in grade for the high-grade shoots when compared with the February 2018 Mineral Resource.

These shoots are visually identifiable in drill chips and core and have been separately modelled and estimated to quantify the higher-grade shoots within the overall Mineral Resource estimate.

The Mineral Resource Estimate for Ulysses as at 30 June 2019 is set out in the following table:

Table 1. Ulysses Gold Project - October 2018 Mineral Resource Estimate 0.75g/t Cut-off above 200mRL, 2.0g/t Below 200mRL

Type	Measured		Indicated		Inferred		Total		
	Tonnes t	Au g/t	Tonnes t	Au g/t	Tonnes t	Au g/t	Tonnes t	Au g/t	Au Ounces
Oxide	6,000	2.1	143,000	1.6	146,000	1.6	**295,000**	**1.6**	**15,200**
Transition	6,000	3.1	364,000	1.9	234,000	1.6	**604,000**	**1.8**	**34,700**
Fresh	21,000	5.0	3,647,000	3.7	2,551,000	3.3	**6,220,000**	**3.6**	**710,500**
Total	**33,000**	**4.1**	**4,154,000**	**3.5**	**2,932,000**	**3.0**	**7,119,000**	**3.3**	**760,400**

October 2018 Mineral Resource Estimate 2.0g/t Global Cut-off

Type	Measured		Indicated		Inferred		Total		
	Tonnes t	Au g/t	Tonnes t	Au g/t	Tonnes t	Au g/t	Tonnes t	Au g/t	Au Ounces
Oxide	4,000	2.5	26,000	2.8	22,000	2.2	**51,000**	**2.5**	**4,200**
Transition	5,000	3.3	114,000	3.1	20,000	2.2	**138,000**	**3.0**	**13,400**
Fresh	21,000	5.0	2,323,000	5.2	1,605,000	4.3	**3,949,000**	**4.8**	**610,800**
Total	**29,000**	**4.4**	**2,463,000**	**5.0**	**1,647,000**	**4.3**	**4,139,000**	**4.7**	**628,400**

October 2018 Mineral Resource Estimate High Grade Shoots

Type	Measured		Indicated		Inferred		Total		
	Tonnes t	Au g/t	Tonnes t	Au g/t	Tonnes t	Au g/t	Tonnes t	Au g/t	Au Ounces
HG Shoots	**21,000**	**5.2**	**1,398,000**	**6.4**	**187,000**	**10.8**	**1,606,000**	**6.9**	**356,100**

NB. Rounding differences may occur.

The updated Mineral Resource was independently estimated by Payne Geological Services Pty Ltd ("PayneGeo"). Full details of the Mineral Resource estimate are provided in the Company's ASX Announcement dated 9 October 2019. The Company is not aware of any new information or data that materially affects the information included in this Annual Statement and confirms that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

Mineral Resources Information

ESTIMATION GOVERNANCE STATEMENT

The Company ensures that all Mineral Resource and Ore Reserve calculations are subject to appropriate levels of governance and internal controls. Exploration Results are collected and managed by competent qualified geologists and overseen by the Company's Managing Director. All data collection activities are conducted to industry standards based on a framework of quality assurance and quality control protocols covering all aspects of sample collection, topographical and geophysical surveys, drilling, sample preparation, physical and chemical analysis and data and sample management.

Mineral Resource and Ore Reserve estimates are prepared by qualified independent Competent Persons and further verified by the Company's Managing Director. If there is a material change in the estimate of a Mineral Resource, the modifying factors for the preparation of Ore Reserves, or reporting an inaugural Mineral Resource or Ore Reserve, the estimate and supporting documentation in question is reviewed by a suitably qualified independent Competent Person.

APPROVAL OF MINERAL RESOURCES AND ORE RESERVE STATEMENT

The Company reports its Mineral Resources and Ore Reserves on an annual basis in accordance with the JORC Code 2012 Edition. The Ore Reserves and Mineral Resources Statement is based on and fairly represents information and supporting documentation prepared by competent and qualified independent external professionals and reviewed by the Company's Managing Director. The Ore Reserves and Mineral Resources Statement has been approved by Michael Fowler, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Fowler is the Managing Director of Genesis Minerals Limited. Mr Fowler has consented to the inclusion of the Statement in the form and context in which it appears in this report.

COMPETENT PERSON'S STATEMENT

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.