Genesis Minerals Limited and controlled entities

ABN 72 124 772 041

Annual Financial Report and Directors' Report

for the year ended 30 June 2020

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)
Nic Earner (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 Audit & Corporate (WA) Pty Ltd
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 2020.

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	6,183,334 fully paid ordinary shares 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 30 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	13,982,017 fully paid ordinary shares 2,400,000 options expiring 13 December 2020, exercisable at \$0.042 3,600,000 options expiring 13 December 2021, exercisable at \$0.045 5,000,000 performance rights expiring 31 December 2021
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 25 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 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 over 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 from 2017 to 2019. 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	272,223 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
Nic Earner	Non-Executive Director (Appointed 24 October 2019)
Qualifications	B.Eng. (Hons)
Experience	Mr Earner is a chemical engineer with over 25 years' experience in technical and operational optimisation and management, and has held a number of executive roles in mining and processing. He is currently the Managing Director of Alkane Resources Limited and is Non-Executive director of Australian Strategic Materials Limited. Mr Earner is the appointed representative of Alkane Resources Limited under the ongoing strategic relationship between the companies.
Interest in shares and options (as at date of resignation)	None
Other directorships in listed entities held in the previous three years	Mr Earner is managing director of Alkane Resources Limited and is non-executive director of Australian Strategic Materials Limited.

Directors' Report

COMPANY SECRETARY

Geoff James	Appointed 20 October 2015
Qualifications	B Bus, CA, AGIA, ACG
Experience	Mr James is a Chartered Accountant and a Chartered Secretary. 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	10	10
Michael Fowler	10	10
Craig Bradshaw	9	10
Gerry Kaczmarek	10	10
Nic Earner (appointed 24 October 2019)	8	8

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-life standalone gold mining and processing operation at the Ulysses Gold Project. The Ulysses Project has been significantly expanded with the agreement to acquire the Kookynie tenements and the Group ended the year in a strong financial position with exciting growth opportunities ahead.

Project Activities

Ulysses Gold Project, WA (Genesis: 100%)

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 ongoing drilling programs which culminated in an upgraded Mineral Resource.

Following the acquisition of the Archduke prospect and Kookynie tenements, Genesis commenced work on an expanded Feasibility Study on the construction of a standalone treatment facility at Ulysses.

Ulysses Deposit – Resource Upgrade and Extensional Drilling Results

A program of Reverse Circulation (RC) and diamond drilling commenced in August 2019 to upgrade the Ulysses Mineral Resource. Over 20,000m of drilling was completed by the end of November to upgrade the top 200m of the Resource in preparation for mining. Drilling targeted approximately 1,000m of strike and some 300m of down-dip extent within and adjacent to the previous Resource envelope. At Ulysses West, drilling targeted ~600m of down-plunge extent.

Results were reported from the Resource upgrade drilling program with holes targeting the upper parts of the Ulysses Mineral Resource (see Figure 1) with the drilling continuing to strongly support the continuity of the higher-grade gold mineralisation.

Full details of the assay results were provided in the Company's ASX Announcements dated 9 September, 22 October and 19 November 2019.

On 19 December 2019, the Company announced a **107,000oz increase** in the Mineral Resource for the Ulysses deposit from 760,000oz to **867,000oz** of contained gold.

Directors' Report

The updated Mineral Resource incorporates the results of the highly successful drilling program completed at Ulysses during the second half of 2019, which returned numerous high-grade intersections that confirmed and extended a number of high-grade gold zones.

The updated Measured, Indicated and Inferred Mineral Resource now totals **8.5Mt @ 3.2g/t gold for 867,000 ounces of contained gold** (refer to Table 1 for full details), which represents a 14% increase in contained ounces when compared with the October 2018 Mineral Resource. Importantly, the higher-confidence Measured and Indicated component has increased by 103,000 ounces (22%) to 574,000 ounces, with the Measured Resource increasing significantly from 4,000 ounces to 133,000 ounces.

The high-grade portion of the Mineral Resource, reported at a cut-off of 2g/t gold (refer to Table 1 for full details) is estimated to contain **4.8Mt @ 4.5g/t gold for 695,000 ounces**.

The high-grade shoots which form part of the overall Mineral Resource are estimated to contain **1.73Mt @ 6.5g/t gold for 360,000 ounces**.

The Mineral Resource extends over a strike length of more than 2.5km and sits immediately below and along strike from the Ulysses Open Pits (see Figures 1 and 2).

The Resource envelope currently extends to ~400m below surface at its deepest point and 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 base of the Indicated portion of the Resource is shown in Figure 1 below.

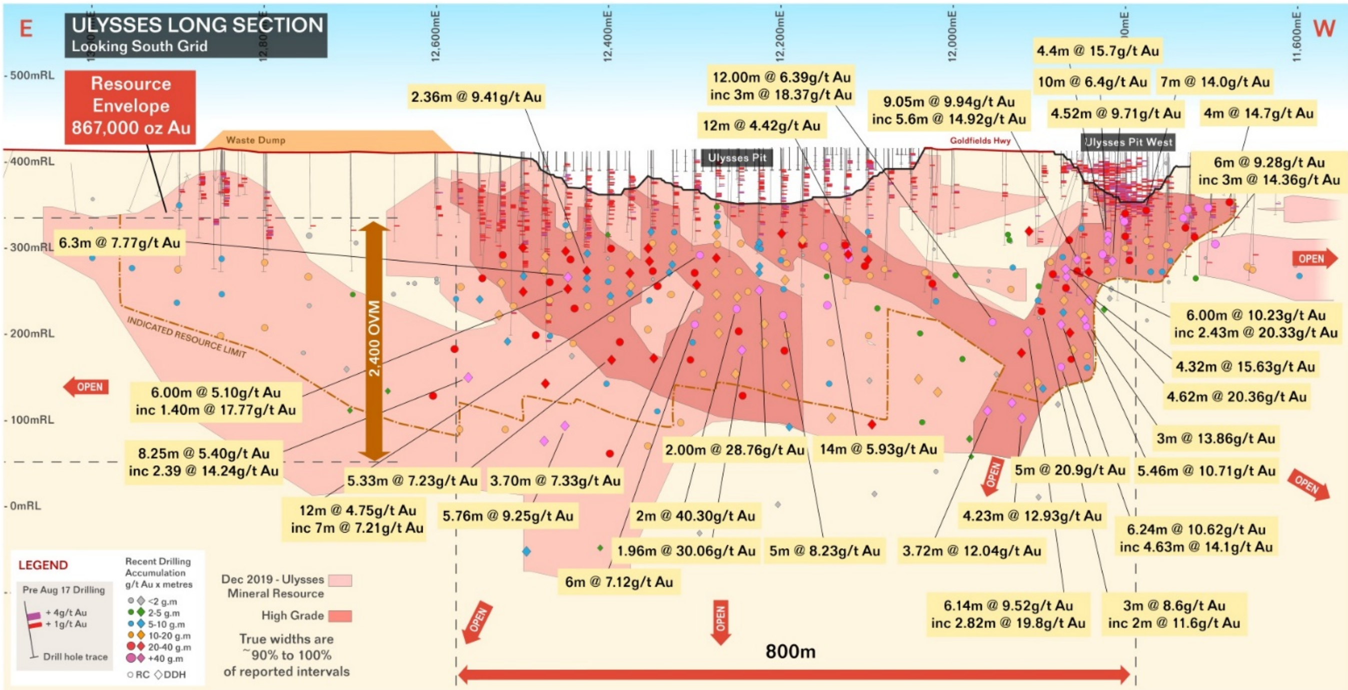

Figure 1. Projected Long Section in local grid showing the Ulysses Mineral Resource (red shaded area) with the high-grade portion of the resource shown in darker red. Limit of Indicated Mineral Resource shown.

Directors' Report

Figure 2. Plan view of the Ulysses resource.

Acquisition of Archduke Prospect

On 16 March 2020, the Company announced the acquisition of the Archduke prospect, a strategically located and prospective tenement located to the south east of the Ulysses Deposit. The Prospect is located within the key regional Ulysses-Orient Well structural corridor that controls mineralisation in the district (see Figure 3).

Subsequent to the end of the financial year, the Company carried out an initial air-core drilling program with the results announced to the ASX on 31 August 2020. The results have confirmed the potential to define shallow oxide gold resources at the prospect, prior to possible deeper drilling targeting primary mineralisation in the future.

The next phase of drilling at Archduke will involve Reverse Circulation (RC) drilling with the aim of defining shallow open pittable resources, with drilling to focus on a 1.5km long target zone.

Acquisition of Kookynie Tenements

On 24 June 2020, the Company announced that it had entered into a binding agreement to acquire 100% of the Kookynie tenements, located immediately south-east of its 100%-owned Ulysses Gold Project.

The landmark transaction significantly advances Genesis' growth strategy in the prolific Leonora district of Western Australia. It includes a JORC 2012 compliant Indicated and Inferred Mineral Resource totalling **8.53Mt at 1.5g/t gold for 414,000oz** across 6 deposits (refer to Table 2 for full details), a highly prospective 248km2 tenement portfolio, and numerous exploration targets with outstanding potential to expand the existing Resources and deliver new discoveries.

The acquisition has increased the total Mineral Resource at the greater Ulysses Project to **17Mt at 2.34g/t gold for 1.28Moz**.

The transaction consolidates Genesis' ownership of the southern extension of the highly endowed Leonora Gold Corridor, including tenements that are immediately contiguous with the southern boundary of its Ulysses Gold Project and which cover a 15km strike length of the Ulysses-Orient Well trend – including three shallow gold deposits with a combined Mineral Resource of 246,000oz (see Figure 3).

The Kookynie acquisition includes a 20-person accommodation camp, a bore field (DWER approved 1,200,000kL Annual Water Entitlement), haul roads and access roads contained within the Kookynie tenement area.

Genesis has entered into an option agreement with A&C Mining Investment Pty Ltd (A&C) and Ms Yijun Zhu (the Vendors) pursuant to which Genesis, via its wholly owned subsidiary Ulysses Mining Pty Ltd, has been granted the right to acquire the Kookynie tenements (Option Agreement).

Directors' Report

The key terms of the Option Agreement are as follows:

- Consideration payable of up to A$11 million to the Vendors to acquire the Kookynie tenements, being:
  - A $1 million consideration fee for the grant of the option (this was paid prior to 30 June 2020); and
  - A $10 million option exercise payment (assuming Genesis extends the initial term of the option and exercises the option during the extended term), together with the grant of a 1% NSR to the Vendors on future gold production, capped at A$5 million.
- The option exercise payment is $9.5 million (if the option is exercised within the initial term) or $10 million (if the initial term is extended one or more times) less the aggregate amount of all extension payments.
- The option is for an initial term of 6 months, but Genesis may extend this period for 3 months for a payment of $4 million. Genesis may extend the option for a further 3 months for a payment of $3 million. These extension payments will be deducted from the option exercise payment required by Genesis to exercise the option.

Genesis has also agreed to pay approximately $2 million in cash and issue 26,595,745 shares to a third party to resolve proceedings and settle tenement plaints against A&C so as to ensure Genesis acquires clear title to the Kookynie tenements. As at 30 June 2020, Genesis has paid $1 million in cash and issued 26,595,745 shares.

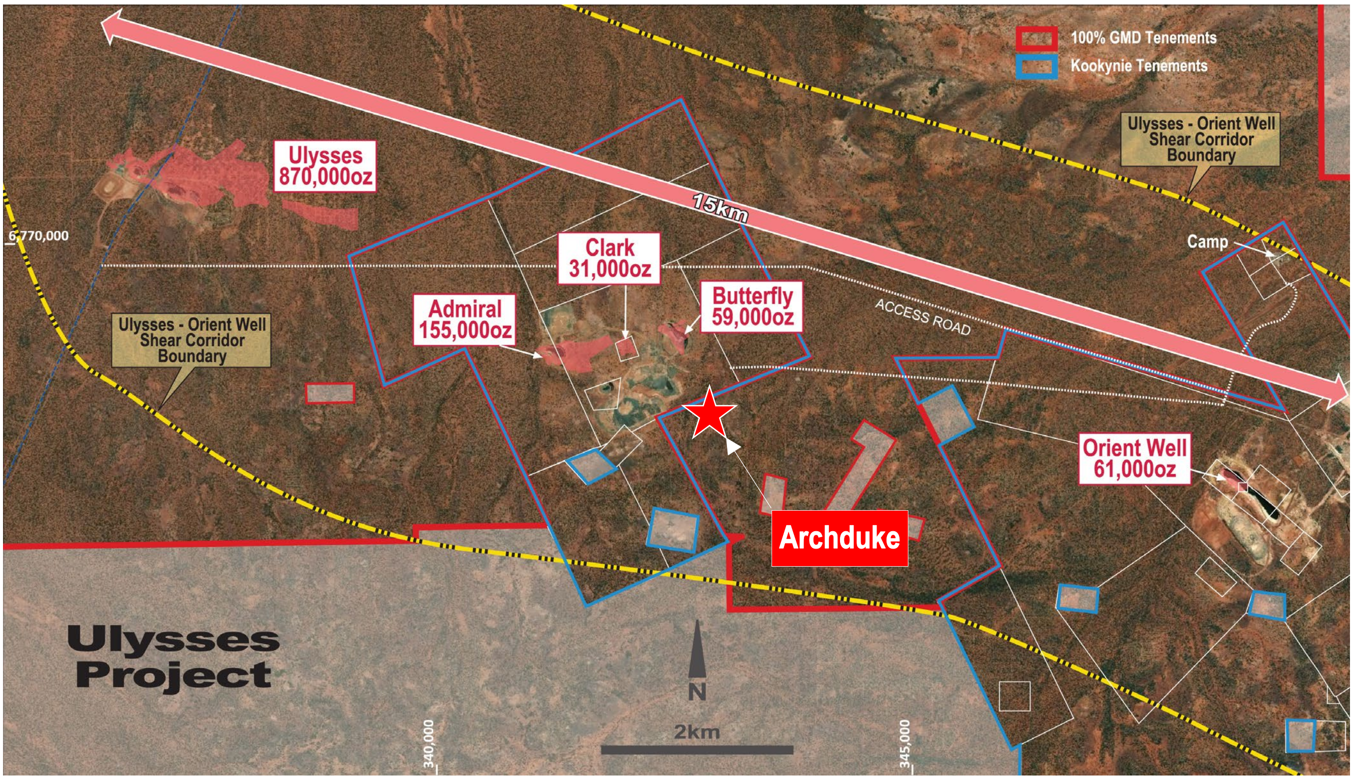

Figure 3. Ulysses to Orient Well structural corridor. Current gold resources highlighted within this corridor.

Ulysses Project – Ongoing Drilling & Feasibility Study

In July 2020, the Company commenced a +25,000m drill program, which will continue over the remainder of CY2020, comprising a combination of Resource definition and expansion drilling along the Ulysses-to-Orient Well corridor (see Figure 3).

Initial results from the maiden Reverse Circulation (RC) drilling program at the Admiral deposit (see Figure 3) were announced to the ASX on 15 September 2020. The results confirmed the presence of significant shallow gold mineralisation and successfully validated the historical drilling data that was used to estimate the Admiral Mineral Resource, which currently stands at **2.78Mt @ 1.7g/t gold for 155,000oz**.

Results from this +25,000m drill program will feed into a Feasibility Study on the development of a significant standalone gold operation at Ulysses, with ore to be sourced from a combination of known underground and open pit Resources. Genesis is targeting completion of this Feasibility Study in the first quarter of CY2021. The Feasibility Study will use the study inputs for the robust Ulysses toll milling Feasibility Study work as a base.

During the year the Company had received all approvals required to commence mining at Ulysses for toll treating of ore, including for the Mining Proposal and PMP.

Directors' Report

Desdemona South JV Gold Project, WA (Genesis: RTE 80%)

On 10 December 2019, the Company announced that it had entered into a Farm-in and Joint Venture agreement with Kin Mining NL (ASX: KIN) over the Desdemona South JV Gold Project ("Desdemona South" or "Project"), located south of Leonora in Western Australia.

Desdemona South (see Figure 4) comprises a strategically located tenement package immediately north of and contiguous with Genesis' 100%-owned 867,000oz Ulysses Gold Project, and includes a range of exploration targets which will strengthen and expand the Company's growth pipeline in the Leonora region.

Under the terms of the agreement, Genesis will have the right to earn an initial 60% interest in the Project and move to 80% under certain conditions.

The Joint Venture will provide Genesis with over 10km of strike of mafic stratigraphy (similar to Ulysses) to explore within the same regional structural corridor that controls gold mineralisation in the district (see Figure 5).

Desdemona South comprises a package of nine tenements covering a total area of ~156km^2, shown in the orange shading in Figure 5. The Project is easily accessed off the Goldfields Highway and is strategically located between Genesis' Ulysses Project and St Barbara's Gwalia Mine.

The tenement package includes a number of conceptual to moderately advanced gold targets. There are no Mineral Resources located on the Project. The Project area has been explored for gold and base metals since the 1970's but has had a fragmented and discontinuous exploration history due to a number of owners.

Early exploration of the Project area by previous explorers was hindered by the presence of widespread transported cover and deep clay overburden. Many rotary air blast drill programs conducted in the project area were unsuccessful, as target depths to test the bedrock could not be achieved due to swelling clays or water in-flows from buried palaeo-channels.

A 5,000m air-core drilling program commenced in late June following completion of a heritage clearance survey.

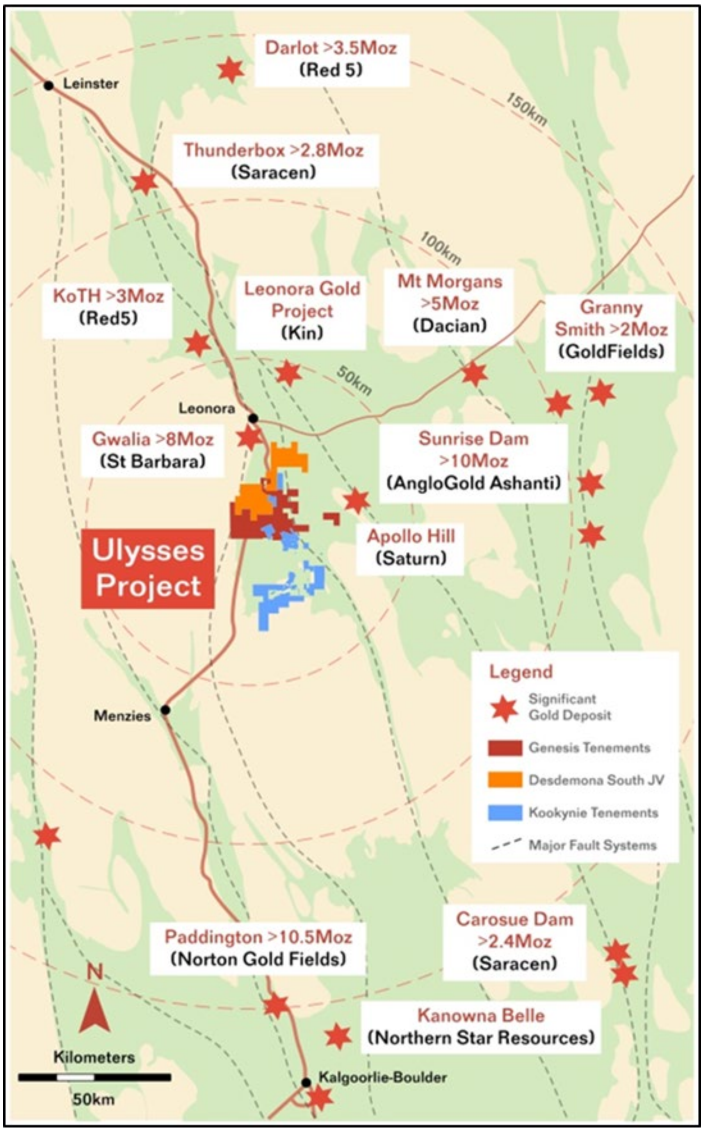

Figure 4. Project location map showing the Desdemona South JV Project in orange.

Directors' Report

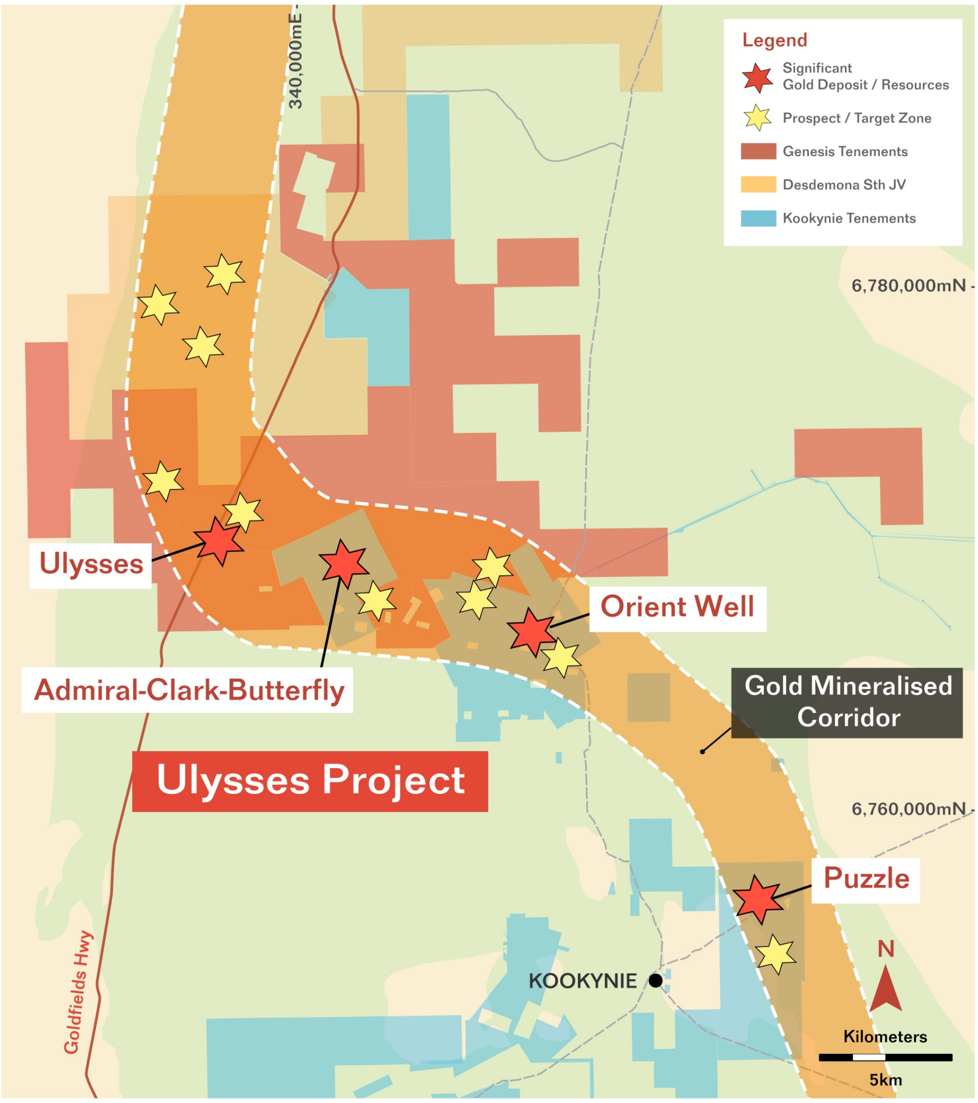

Figure 5. Plan view highlighting target areas at Desdemona South

Farm-In and Joint Venture Terms

The initial Farm-In terms are as follows:

- **Stage 1 Expenditure**: Genesis must incur expenditure of not less than $250,000 (Minimum Expenditure) on the JV Area within 18 months of Commencement.
- **Stage 2 Expenditure**: Genesis may earn a 60% interest in the JV Area by incurring a further $750,000 expenditure (total spend of $1,000,000) on the JV Area within 36 months of Commencement.

Once Genesis earns a 60% interest, Kin may elect to form a Joint Venture with participating interests of 60% Genesis and 40% Kin or grant Genesis the right to elect to sole contribute or form a JV. Once Genesis earns a 70% interest (if Kin does not elect to from a JV at 60%), Kin may elect to form a Joint Venture with participating interests of 70% Genesis and 30% Kin or grant Genesis the right to elect to sole contribute or form a JV to move to 80%.

Genesis would need to spend $2.6 million in total to earn an 80% interest in the JV.

Barimaia JV Gold Project, WA (Genesis: 65%)

The Barimaia JV Gold Project, located in the Murchison district of Western Australia, is a highly prospective ground package located just 10km 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.

Directors' Report

Genesis has now earned an initial 65% interest in the project and has elected to form a joint venture for the continued development of the project.

A 1,500m wide-spaced air-core program was completed in July 2019 to complete a first pass test of the eastern strike extensions to the interpreted gold mineralised corridor (highlighted in Figure 7).

The results from the drilling program identified significant extensions of the east-west trending gold mineralised system to the east of McNabs East.

Hole 19BAAC105 returned a significant intercept of **2m @ 14.27g/t gold from 25m** and is interpreted to be associated with an east-northeast trending arm of the main mineralised corridor (see Figure 7), associated with a granodiorite. Hole 19BAAC097 returned **5m @ 0.11g/t gold** from 40m some 500m east of McNabs East and is associated with weather and foliated mafic rocks. This zone is interpreted to be open to the east and south-east.

Hole 19BAAC100 (**5m @ 0.14g/t gold**) and 19BAAC102 (**5m @ 0.17g/t gold**) are located to the south-east of the McNabs Prospects. These holes, together with 17BAAC013 (**5m @ 0.26g/t gold**), have outlined a saprolite-hosted zone of persistent anomalism over 600m of strike spatially associated with the interpreted position of the granite-greenstone contact.

Full details of the assay results were provided in the Company's ASX Announcement dated 15 August 2019.

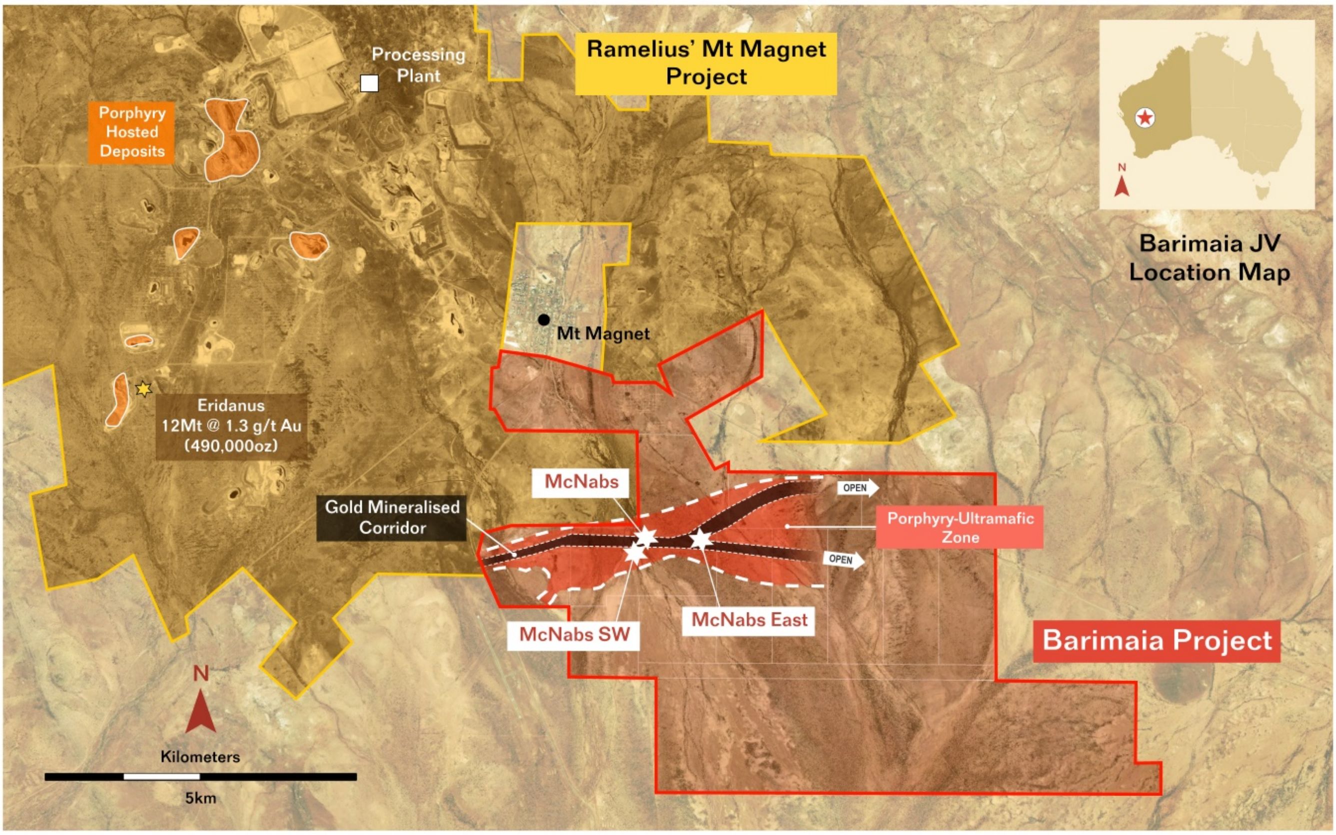

Figure 6. Barimaia Project showing prospect locations. The Barimaia Project is adjacent to Ramelius' Mt Magnet Gold Mine. Target mineralised corridor highlighted.

In December 2019, Genesis completed a 245m diamond drilling program to test the current structural geological model for the Barimaia Project. Importantly the drilling confirmed the current interpreted east-west orientation of the controlling mineralised structures.

Results (see Figures 7 and 8) returned from the drilling were in line with expectations and included **6m @ 2.16g/t Au from 83m** (19BADH01) and **13.2m @ 1.05g/t Au from 30.2m** (19BADH02) within broad zones of lower grade gold mineralisation. Full details of the assay results were provided in the Company's ASX Announcement dated 16 March 2020.

The gold mineralisation at McNabs and McNabs East is considered to occur within the same east-west oriented structural trend.

Future planned activities at Barimaia include:

- Further systematic air-core drilling to test the area east, west and south of the currently identified bedrock gold targets to extend the mineralised system, which is open in all directions; and
- RC drilling to systematically test the +1.5km of E-W striking bedrock gold targets associated with the McNabs Prospects.

Directors' Report

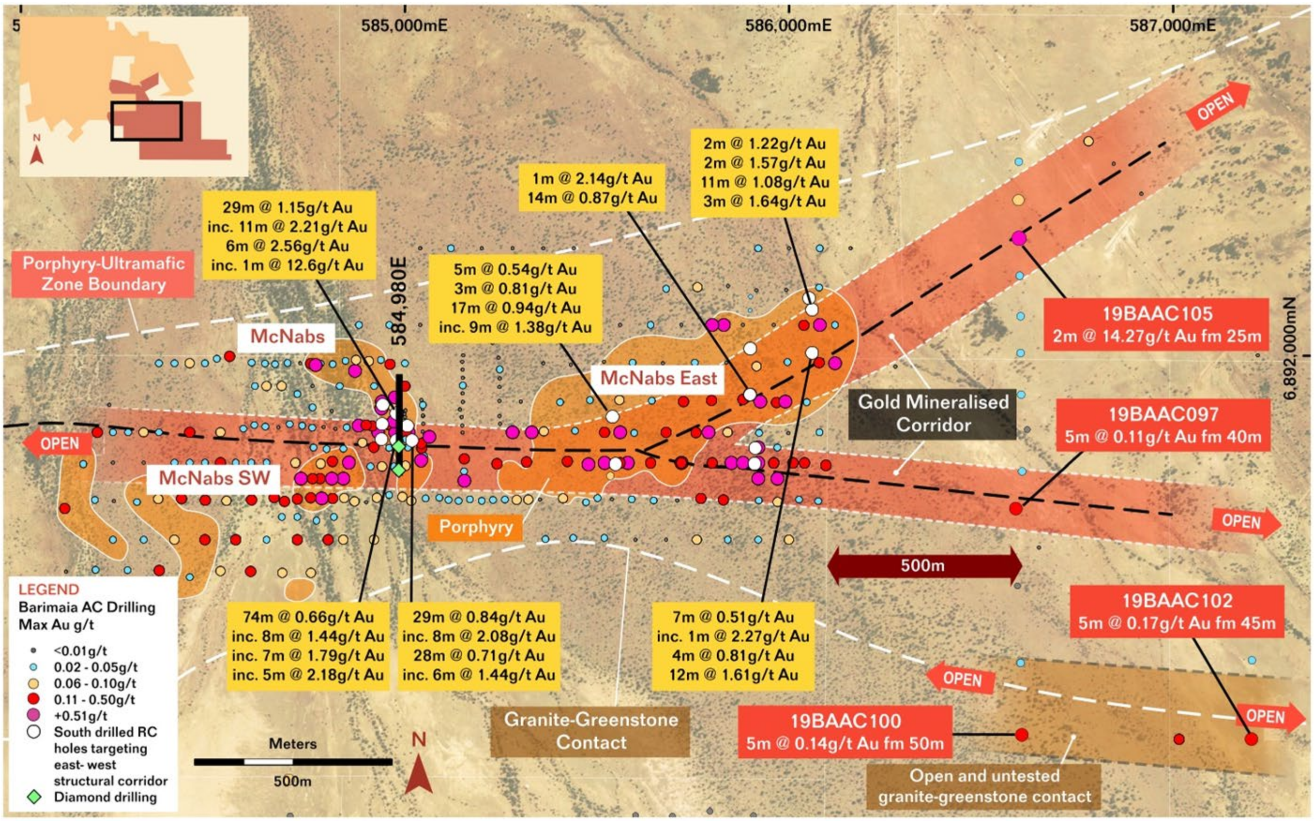

Figure 7. Plan view of the McNabs Prospects and AC holes shown as colour coded circles with white outlines. The east-west trending gold mineralised structural corridor is highlighted. 2018 drilling intercepts (yellow boxes) from wide spaced RC drilling with collar locations shown by white circles. Diamond hole collar positions shown by pale green diamonds.

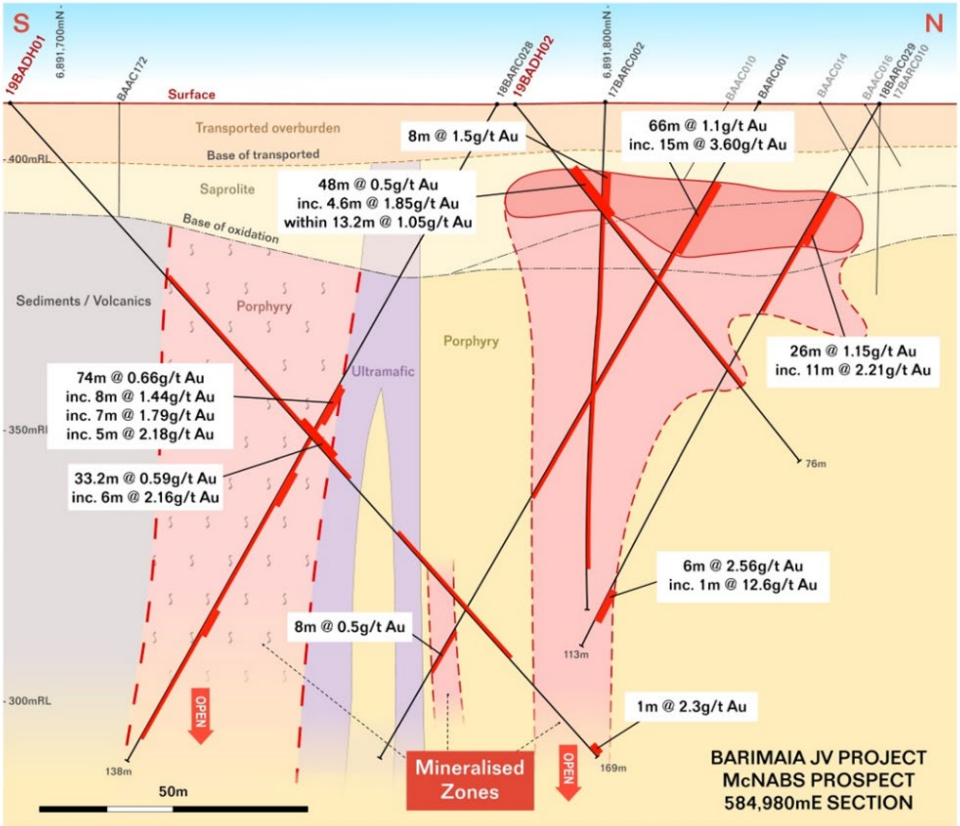

Figure 8. Cross section of the McNabs Prospects

Directors' Report

MINERAL RESOURCE TABLES

A summary of the December 2019 Ulysses Mineral Resource is provided in Table 1 and the June 2020 Kookynie tenements Mineral Resource in Table 2.

Table 1 December 2019 Mineral Resource Estimate 0.75g/t Cut-off above 200mRL, 2.0g/t Below 200mRL

	Measured		Indicated		Inferred		Total		
Domain	Tonnes Mt	Au g/t	Tonnes Mt	Au g/t	Tonnes Mt	Au g/t	Tonnes Mt	Au g/t	Au Ounces
HG Shoots	0.66	6.0	0.89	6.5	0.19	8.2	1.73	6.5	360,600
Shear Zone	0.14	1.3	3.20	2.2	1.88	3.2	5.21	2.5	426,100
Ulysses East			0.53	1.8	1.00	1.6	1.53	1.6	80,500
Total	**0.80**	**5.2**	**4.61**	**3.0**	**3.07**	**3.0**	**8.48**	**3.2**	**867,200**

December 2019 Mineral Resource Estimate 2.0g/t Global Cut-off									
	Measured		Indicated		Inferred		Total		
Type	Tonnes Mt	Au g/t	Tonnes Mt	Au g/t	Tonnes Mt	Au g/t	Tonnes Mt	Au g/t	Au Ounces
Total	**0.66**	**6.0**	**2.42**	**4.4**	**1.70**	**4.1**	**4.78**	**4.5**	**695,900**

Table 2 June 2020 Mineral Resource Estimate Kookynie

0.5g/t Au Cut-off, Depleted for Historical Mining									
Deposit	Indicated			Inferred			Total		
	Tonnes Mt	Au g/t	Au Oz	Tonnes Mt	Au g/t	Au Oz	Tonnes Mt	Au g/t	Au Oz
Butterfly	0.54	1.7	30,000	0.52	1.7	29,000	**1.06**	**1.7**	**59,000**
Admiral	1.40	2.0	89,000	1.38	1.5	66,000	**2.78**	**1.7**	**155,000**
Clark	0.40	1.4	18,000	0.35	1.2	13,000	**0.75**	**1.3**	**31,000**
Orion/Sapphire	-	-	-	0.69	2.2	48,000	**0.69**	**2.2**	**48,000**
Puzzle	1.00	1.1	36000	0.72	1.0	23,000	**1.73**	**1.1**	**59,000**
Orient Well	-	-	-	1.51	1.3	61,000	**1.51**	**1.3**	**61,000**
Total	**3.35**	**1.6**	**174,000**	**5.18**	**1.4**	**240,000**	**8.53**	**1.5**	**414,000**

NB. Rounding errors may occur

Full details of the Ulysses Mineral Resource estimate are provided in the Company's ASX announcement dated 19 December 2019 titled *"Ulysses Mineral Resource Update"*. Full details of the Kookynie Mineral Resource estimate are provided in the Company's ASX announcement dated 24 June 2020 titled *"Transformational Acquisition of the Kookynie Gold Project"*.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements dated 19 December 2019 and 24 June 2020 and the Company confirms that all material assumptions and technical parameters underpinning the mineral resource estimates in the market announcements 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 announcements.

Directors' Report

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 2020 of $9,582,099 (2019: $7,036,589). The operating loss for the year arose from expenditure on exploration activities as part of its strategy to develop a long-life, standalone mining operation at the Ulysses Gold Project.

At 30 June 2020 cash assets available totalled $11,145,421 (2019: $2,609,843).

The net assets of the consolidated entity increased from $1,839,300 to $10,653,113 at June 2020. This increase is largely attributable to the issues of equity during the year of $18,346,159 (net of costs) offset by the operating loss recorded for the year.

Operating Results for the Year

Summarised operating results are as follows:

	2020		2019	
	Revenues $	Results $	Revenues $	Results $
Group revenues and loss from ordinary activities before income tax expense	**71,385**	**(9,582,099)**	**64,454**	**(7,036,589)**

Shareholder Returns

	2020	2019
Basic and diluted loss per share (cents)	**(0.74)**	**(0.70)**

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 15,800,000 unissued ordinary shares in respect of which options are outstanding.

	Number of options
Balance at the beginning of the year	33,200,000
Movements of share options during the year	
Expired, exercisable at 3.9 cents	(4,800,000)
Lapsed, exercisable at 4.2 cents	(800,000)
Exercised at 4.9 cents	(1,800,000)
Total number of options outstanding as at 30 June 2020	**25,800,000**
Exercised at 4.8 cents	(10,000,000)
Total number of options outstanding at the date of this report	**15,800,000**

The balance is comprised of the following:

Expiry date	Exercise price (cents)	Number of options
29 November 2020	4.9	800,000
13 December 2020	4.2	4,000,000
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		**15,800,000**

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.

At the date of this report there are 13,500,000 unissued ordinary shares in respect of which performance rights are outstanding.

	Number of performance rights
Balance at the beginning of the year	-
Total number of performance rights outstanding as at 30 June 2020	-
Issued September 2020, expiring 31 December 2021	13,500,000
Total number of performance rights outstanding at the date of this report	**13,500,000**

The balance is comprised of the following:

Expiry date	Number of performance rights
31 December 2021	13,500,000
Total	**13,500,000**

No person entitled to exercise any performance right referred to above has or had, by virtue of the performance right, 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.

Directors' Report

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 $17,075,634 (before costs) through the issue of 478,287,738 ordinary shares to institutional and sophisticated investors during the year. The group issued 26,595,745 ordinary shares valued at $1,436,170 pursuant to the acquisition of the Kookynie Gold Project. The group issued 1,800,000 ordinary shares pursuant to the exercise of options raising $88,200.

AFTER BALANCE DATE EVENTS

On 1 July 2020, the Group issued 238,095,238 ordinary shares at $0.042 per share raising $10,000,000 (before costs) for the share placement announced to the market on 24 June 2020. The proceeds for the share placement were received on 30 June 2020 with the shares issued on 1 July 2020.

On 10 July 2020, the Group issued 10,000,000 ordinary shares pursuant to the exercise of options at $0.048 per share raising $480,000 (before costs).

On 20 July 2020, the Group issued 226,326,261 ordinary shares at $0.042 per share raising $9,505,703 (before costs) for the 1 for 6 fully underwritten non-renounceable rights issue announced to the market on 24 June 2020.

On 8 September 2020, the Group issued 104,628,958 ordinary shares at $0.042 per share raising $4,394,416 (before costs) for the share placement announced to the market on 3 August 2020 and approved by shareholders on 4 September 2020.

On 15 September 2020, the Group issued 13,500,000 performance rights expiring on 31 December 2021.

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.

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.

Directors' Report

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' 2020 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 fourth 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

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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, options and performance rights. 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 incentive schemes.

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 and performance rights 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 employee incentive schemes.

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 incentive scheme 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:

Directors' Report

	2020 $	2019 $	2018 $	2017 $	2016 $
Net Loss	(9,582,099)	(7,036,589)	(5,573,467)	(718,341)	(2,220,550)
Share Price at Start of Year	$0.023	$0.043	$0.016	$0.019	$0.006
Share Price at End of Year	$0.052	$0.023	$0.043	$0.016	$0.019

USE OF REMUNERATION CONSULTANTS

The Group did not employ the services of any remuneration consultants during the financial year ended 30 June 2020.

VOTING AND COMMENT MADE ON THE GROUP'S 2019 ANNUAL GENERAL MEETING

The Company received 96.65% of "yes" votes on its remuneration report for the 2019 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

	2020 $	2019 $
Short-term benefits	**402,702**	**385,316**
Post-employment benefits	**33,391**	**33,285**
Share-based payments	**49,753**	**132,390**
	485,846	**550,991**

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						
2020	**50,228**	**4,772**	**20,372**	**75,372**	**27.03%**	**-%**
2019	29,300	2,783	39,455	71,538	55.15%	-%
Michael Fowler						
2020	**268,435[1]**	**24,344**	**11,469**	**304,248**	**3.77%**	**-%**
2019	248,016[1]	24,802	40,740	313,558	12.99%	-%
Craig Bradshaw						
2020	**31,425**	**1,425**	**3,823**	**36,673**	**10.42%**	**-%**
2019	30,000	2,850	13,580	46,430	29.25%	-%
Gerry Kaczmarek						
2020	**30,000**	**2,850**	**14,089**	**46,939**	**30.02%**	**-%**
2019	30,000	2,850	21,212	54,062	39.24%	-%
Nic Earner						
2020	**22,614[2]**	**-**	**-**	**22,614**	**-%**	**-%**
2019	-	-	-	-	-%	-%
Richard Hill						
2020	**-**	**-**	**-**	**-**	**-%**	**-%**
2019	48,000[3]	-	17,403	65,403	26.61%	-%
2020	**402,702**	**33,391**	**49,753**	**485,846**		
2019	385,316	33,285	132,390	550,991		

1. M Fowler - includes payment of unused leave entitlements of $16,163 (2019: $20,743).
2. N Earner – appointed as Director on 24 October 2019.
3. R Hill - resigned as Director on 23 November 2018.

Directors' Report

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. Effective 7 August 2020, the remuneration levels were revised with the Non-Executive Chairman to receive a fee of $54,795 per annum, plus statutory superannuation, and Non-Executive Directors to receive a fee of $32,877 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. Effective from 1 January 2020, Mr Fowler's salary was increased to $275,0000 per annum plus $25,000 superannuation.

Equity instrument disclosures relating to key management personnel

Options and performance rights provided as remuneration and shares issued on exercise/conversion of such options and performance rights

Nil options were issued during the year (2019: 7,600,000), valued at $nil (2019: $103,810). 1,800,000 options were exercised during the year (2019: nil), 800,000 options lapsed during the year (2019: nil) and 4,800,000 options expired (2019: nil).

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

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 2020	% Forfeited During 2020
Tommy McKeith								
- Tranche 2	1,500,000	29/11/2018	29/11/2021	$0.053	$0.0138	2020	100%	-%
- Tranche 3	1,500,000	29/11/2018	29/11/2022	$0.056	$0.0161	2021	-%	-%
Michael Fowler								
- 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	100%	-%
Craig Bradshaw								
- 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	100%	-%
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	100%	-%
- Tranche 3	1,200,000	29/11/2018	29/11/2022	$0.056	$0.0161	2021	-%	-%

Subsequent to the end of the financial year, 5,000,000 performance rights with an expiry date of 31 December 2021 were issued to Mr Fowler. The performance rights will only vest into shares if the relevant performance hurdles are met prior to the expiry date.

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:

Directors' Report

2020	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**	**-**	**(1,800,000)**	**-**	**3,000,000**	**1,500,000**
Michael Fowler	**8,400,000**	**-**	**-**	**(2,400,000)**	**6,000,000**	**6,000,000**
Craig Bradshaw	**2,800,000**	**-**	**-**	**(800,000)**	**2,000,000**	**2,000,000**
Gerry Kaczmarek	**2,800,000**	**-**	**-**	**-**	**2,800,000**	**1,600,000**
Nic Earner	**-**	**-**	**-**	**-**	**-**	**-**
	18,800,000	**-**	**(1,800,000)**	**(3,200,000)**	**13,800,000**	**11,100,000**

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.

Share based compensation

No shares were issued to directors in lieu of fees and salary during the year. 2019: (nil).

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.

2020	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**	**1,800,000**	**500,000**	**5,300,000**
Michael Fowler	**12,167,230**	**-**	**837,594**	**13,004,824**
Craig Bradshaw	**-**	**-**	**-**	**-**
Gerry Kaczmarek	**200,000**	**-**	**33,334**	**233,334**
Nic Earner	**-**	**-**	**-**	**-**
	15,367,230	**1,800,000**	**1,370,928**	**18,538,158**

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

Directors' Report

Loans to key management personnel

There were no loans to key management personnel during the year. 2019: (nil).

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

There were no other transactions with key management personnel during the year. 2019: (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.

M Fowler

Michael Fowler
Managing Director
Perth, 25 September 2020

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 2020, 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 25th day of September 2020

Consolidated Statement of Profit or Loss and Other Comprehensive Income

YEAR ENDED 30 JUNE 2020	Notes	2020 $	2019 $
REVENUE	2	71,385	64,454
EXPENDITURE			
Exploration expenses		(8,306,909)	(5,849,361)
Salaries and employee benefits expense		(526,800)	(439,408)
Corporate expenses		(408,614)	(332,668)
Administration costs		(352,643)	(346,054)
Depreciation expense		(8,765)	(1,162)
Share based payments expense		(49,753)	(132,390)
LOSS BEFORE INCOME TAX		(9,582,099)	(7,036,589)
INCOME TAX BENEFIT/(EXPENSE)	3	-	-
LOSS FOR THE YEAR		(9,582,099)	(7,036,589)
OTHER COMPREHENSIVE LOSS FOR THE YEAR, NET OF TAX		-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR ATTRIBUTABLE TO MEMBERS OF GENESIS MINERALS LIMITED		(9,582,099)	(7,036,589)
Basic and diluted loss per share (cents per share)	12	(0.74)	(0.70)

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 2020	Notes	2020	2019
		$	$
CURRENT ASSETS			
Cash and cash equivalents	4	11,145,421	2,609,843
Trade and other receivables	5	141,268	36,429
Prepayments	6	13,808	27,893
TOTAL CURRENT ASSETS		11,300,497	2,674,165
NON-CURRENT ASSETS			
Plant and equipment	7	17,597	6,123
TOTAL NON-CURRENT ASSETS		17,597	6,123
TOTAL ASSETS		11,318,094	2,680,288
CURRENT LIABILITIES			
Trade and other payables	8	524,408	718,236
Provisions	9	140,573	122,752
TOTAL CURRENT LIABILITIES		664,981	840,988
TOTAL LIABILITIES		664,981	840,988
NET ASSETS		10,653,113	1,839,300
EQUITY			
Issued capital	10	52,166,259	33,820,100
Reserves	11	1,708,833	1,659,080
Accumulated losses		(43,221,979)	(33,639,880)
TOTAL EQUITY		10,653,113	1,839,300

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 2020	Notes	Ordinary Share Capital $	Accumulated Losses $	Options Reserve $	Total $
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**
BALANCE AT 1 JULY 2019		**33,820,100**	**(33,639,880)**	**1,659,080**	**1,839,300**
Loss for the year		-	(9,582,099)	-	**(9,582,099)**
TOTAL COMPREHENSIVE LOSS		**-**	**(9,582,099)**	**-**	**(9,582,099)**
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS					
Shares issued during the year	10	19,210,532	-	-	19,210,532
Share issue transaction costs	10	(864,373)	-	-	(864,373)
Share based payments	22	-	-	49,753	49,753
Sub-total		**18,346,159**	**(9,582,099)**	**49,753**	**8,813,813**
BALANCE AT 30 JUNE 2020		**52,166,259**	**(43,221,979)**	**1,708,833**	**10,653,113**

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 2020	Notes	2020	2019
		$	$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(1,197,925)	(1,075,243)
Payments for exploration expenditure		(7,281,006)	(6,257,307)
Interest received		9,212	76,635
Cash flow boost		62,500	-
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	21	(8,407,219)	(7,255,915)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for plant and equipment		(20,239)	-
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES		(20,239)	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issues of ordinary shares		17,163,834	5,000,000
Payments for share issue costs		(200,798)	(239,143)
NET CASH INFLOW FROM FINANCING ACTIVITIES		16,963,036	4,760,857
NET INCREASE IN CASH AND CASH EQUIVALENTS		8,535,578	(2,495,058)
Cash and cash equivalents at the beginning of the financial year		2,609,843	5,104,901
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	4	11,145,421	2,609,843

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 2020

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 25 September 2020. 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 2019 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 2019.

(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 $9,582,099 for the year ended 30 June 2020 (2019: $7,036,589). Included within this loss was exploration expenditure of $8,306,909 (2019: $5,849,361).

The net working capital surplus position of the Group at 30 June 2020 was $10,635,516 (2019: $1,833,177). The Group has expenditure commitments relating to work programme obligations of their assets of $1,802,807 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.

Notes to the Consolidated Financial Statements

30 JUNE 2020

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.

Notes to the Consolidated Financial Statements

30 JUNE 2020

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.

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 2020

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.

Notes to the Consolidated Financial Statements

30 JUNE 2020

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, performance 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 performance rights and 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 performance rights, options 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 performance rights and options expected to vest. At the end of each reporting period, the Group revises its estimate of the number of performance rights or options 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 2020

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 2020

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 performance rights and 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.

Notes to the Consolidated Financial Statements

30 JUNE 2020

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.

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;
- 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 has completed its impact assessment of AASB 16 and the effect of AASB 16 did not have a material effect on the Group.

Notes to the Consolidated Financial Statements

30 JUNE 2020

2. REVENUE

	2020	2019
	$	$
Interest revenue	8,885	64,454
Cash flow boost	62,500	-
	71,385	64,454

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:

	2020	2019
	$	$
Loss from continuing operations before income tax expense	(9,582,099)	(7,036,589)
Australian tax rate	27.5%	30%
Prima facie tax benefit at the Australian tax rate	(2,635,077)	(2,110,977)
Add tax effect of:		
Share-based payments	13,682	39,717
Non-deductible exploration costs	944,947	-
Non-deductible other expenses	49,010	8,161
Non-assessable income	(17,188)	(98)
Movements in unrecognised temporary differences	(94,025)	(45,350)
	(1,738,651)	(2,108,547)
Tax effect of current year tax losses for which no deferred tax asset has been recognised	1,738,651	2,108,547
Income tax expense	-	-

(b) Tax Losses

Unused tax losses for which no deferred tax asset has been recognised	21,066,703	19,328,052
Potential tax benefit @ 27.5% (2019: 30%)	5,793,343	5,798,416
Unused capital losses for which no deferred tax asset has been recognised	487,085	487,085
Potential tax benefit @ 27.5% (2019: 30%)	133,948	146,126

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.

4. CASH AND CASH EQUIVALENTS

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

	2020	2019
	$	$
Cash at bank and in hand	11,125,421	1,089,843
Short-term deposits	20,000	1,520,000
Cash and cash equivalents	11,145,421	2,609,843

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.

Notes to the Consolidated Financial Statements

30 JUNE 2020

5. TRADE AND OTHER RECEIVABLES

	2020	2019
	$	$
Trade debtors – GST receivable	141,268	33,902
Other debtor	-	2,200
Other receivables – accrued interest	-	327
	141,268	36,429

The Group expects the above trade and other receivables to be recovered within 12 months of 30 June 2020 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

	2020	2019
	$	$
Prepaid expenditure	13,808	27,893
	13,808	27,893

7. PLANT AND EQUIPMENT

Plant and equipment		
Cost	34,096	13,857
Accumulated depreciation	(16,499)	(7,734)
Net book amount	17,597	6,123

Plant and equipment		
Opening net book amount	6,123	7,285
Additions / (Disposals)	20,239	-
Depreciation charge	(8,765)	(1,162)
Closing net book amount	17,597	6,123

8. TRADE AND OTHER PAYABLES

Trade payables	413,569	553,490
Other payables and accruals	110,839	164,746
	524,408	718,236

9. PROVISIONS

Employee entitlements	90,573	72,752
Rehabilitation	50,000	50,000
	140,573	122,752

Notes to the Consolidated Financial Statements

30 JUNE 2020

10. ISSUED CAPITAL

	2020 $	2019 $
1,357,954,186 (30 June 2019: 1,089,365,941) Ordinary shares	54,644,662	35,434,130
Value of conversion rights - Convertible Notes	25,633	25,633
Share issue costs written off against issued capital	(2,504,036)	(1,639,663)
	52,166,259	33,820,100

MOVEMENT IN ORDINARY SHARES	No.	$
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
Balance at 1 July 2019	1,089,365,941	33,820,100
Placement at $0.032 per share – 5 August 2019	44,327,199	1,418,471
Rights Issue at $0.032 per share – 4 September 2019	188,949,343	6,046,380
Placement at $0.032 per share – 25 September 2019	6,915,958	221,311
Shares issued as part of the transaction to acquire the Kookynie Gold Project at $0.054 per share – 25 June 2020	26,595,745	1,436,170
Exercise of options at $0.049 per share – 26 June 2020	1,800,000	88,200
Placement at $0.042 per share[1]	-	10,000,000
Less share issue costs	-	(864,373)
Balance at 30 June 2020	1,357,954,186	52,166,259

[1] Funds were received on 30 June 2020 for the share placement. 238,095,238 shares were issued on 1 July 2020.

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

	2020 No.	2019 No.
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	10,000,000
Exercisable at 4.9 cents, on or before 29 November 2020	800,000	2,600,000
Exercisable at 4.2 cents, on or before 13 December 2020	4,000,000	4,800,000
Exercisable at 5.3 cents, on or before 29 November 2021	2,300,000	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	2,700,000
	25,800,000	33,200,000

(b) Movements in options on issue

Beginning of the financial year	33,200,000	25,600,000
Expired, exercisable at 3.9 cents	(4,800,000)	-
Lapsed, exercisable at 4.2 cents	(800,000)	-
Exercised June 2020 at 4.9 cents	(1,800,000)	-
Issued:		
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
End of the financial year	25,800,000	33,200,000

Notes to the Consolidated Financial Statements

30 JUNE 2020

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 2020 is $10,635,516 (2019: $1,833,177).

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:

	2020 $	2019 $
Balance at the beginning of the financial year	**1,659,080**	**1,526,690**
Recognition of share-based payments for options issued to directors	**49,753**	**132,390**
Balance at the end of the financial year	**1,708,833**	**1,659,080**

12. LOSS PER SHARE

	2020 $	2019 $
(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	(9,582,099)	(7,036,589)
	2020 Number of shares	**2019 Number of shares**
(b) Weighted average number of ordinary shares used as the denominator in calculating basic and diluted loss per share	1,290,413,912	1,007,663,397
Basic and diluted EPS (cents per share)	(0.74)	(0.70)

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:

	2020 $	2019 $
Within one year	**1,802,807**	**441,380**
Greater than one year but less than five years	**7,977,090**	**1,372,877**
	9,779,897	**1,814,257**

The above exploration commitments includes the Group's interests in farm-in and joint venture agreements (refer note 24) and the Group's interest in the Kookynie Gold Project via an option agreement (refer note 25).

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

30 JUNE 2020

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:

	2020 $	2019 $
Financial Assets		
Cash and cash equivalents	**11,145,421**	**2,609,843**
Trade and other receivables	**141,268**	**36,429**
Total financial assets	**11,286,689**	**2,646,272**
Financial Liabilities		
Trade and other payables	**524,408**	**718,236**
Total financial liabilities	**524,408**	**718,236**

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 2019 or 2020 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 2020 financial year.

Notes to the Consolidated Financial Statements

30 JUNE 2020

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
2020	$111,454	($111,454)	$111,454	($111,454)
2019	$26,098	($26,098)	$26,098	($26,098)

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

	2020	2019
	$	$
Short-term benefits	402,702	385,316
Post-employment benefits	33,391	33,285
Share-based payments	49,753	132,390
	485,846	550,991

16. REMUNERATION OF AUDITORS

	2020	2019
	$	$
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	30,558	34,505
Total remuneration for audit services	30,558	34,505

Notes to the Consolidated Financial Statements

30 JUNE 2020

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 Nic Earner was appointed as Non-Executive Director on 24 October 2019.

(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)]	
			2020 %	2019 %
Ulysses Mining Pty Ltd	Australia	Ordinary	**100**	**100**
Metallo Resources Pty Ltd	Australia	Ordinary	**100**	**100**

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

20. EVENTS AFTER THE BALANCE SHEET DATE

On 1 July 2020, the Group issued 238,095,238 ordinary shares at $0.042 per share raising $10,000,000 (before costs) for the share placement announced to the market on 24 June 2020. The proceeds for the share placement were received on 30 June 2020 with the shares issued on 1 July 2020.

On 10 July 2020, the Group issued 10,000,000 ordinary shares pursuant to the exercise of options at $0.048 per share raising $480,000 (before costs).

On 20 July 2020, the Group issued 226,326,261 ordinary shares at $0.042 per share raising $9,505,703 (before costs) for the 1 for 6 fully underwritten non-renounceable rights issue announced to the market on 24 June 2020.

On 8 September 2020, the Group issued 104,628,958 ordinary shares at $0.042 per share raising $4,394,416 (before costs) for the share placement announced to the market on 3 August 2020 and approved by shareholders on 4 September 2020.

On 15 September 2020, the Group issued 13,500,000 performance rights expiring on 31 December 2021.

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.

Notes to the Consolidated Financial Statements

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21. CASH FLOW INFORMATION

	2020 $	2019 $
(a) Reconciliation of net loss after income tax to net cash inflow/(outflow) from operating activities		
Net loss for the year	(9,582,099)	(7,036,589)
Non-Cash Items		
Depreciation of non-current assets	8,765	1,162
Share based payments expense	49,753	132,390
Shares issued as part of the transaction to acquire the Kookynie Gold Project	1,436,170	-
Change in operating assets and liabilities, net of effects from purchase of controlled entities		
Decrease/(increase) in trade and other receivables	(104,839)	49,530
Decrease/(increase) in prepayments	14,085	(27,893)
(Decrease)/increase in trade and other payables	(246,875)	(375,180)
(Decrease)/increase in provisions	17,821	665
Net cash inflow/(outflow) from operating activities	(8,407,219)	(7,255,915)

(b) Non-cash investing and financing activities

There were no non-cash investing and financing activities during the current year.

22. SHARE BASED PAYMENTS

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

Each performance right or 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 performance right or option. Performance rights and options neither carry rights to dividends nor voting rights. Performance rights may be exercised at any time once the relative performance hurdle has been satisfied prior to expiry date. Options may be exercised at any time from the date of vesting to the date of their expiry by paying the exercise price.

Nil options were issued during the year (2019: 7,600,000), valued at $nil (2019: $103,810). 1,800,000 options were exercised during the year (2019: nil), 800,000 options lapsed during the year (2019: nil) and 4,800,000 options expired (2019: nil).

An amount of $49,753 was expensed to share based payments for options issued to directors (2019: $132,390).

Subsequent to the end of the financial year, 13,500,000 performance rights with an expiry date of 31 December 2021 were issued to directors and employees. The performance rights will only vest into shares if the relevant performance hurdles are met prior to the expiry date.

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 2019	Number Vested and Exercisable at 30 June 2019	Number 30 June 2020	Number Vested and Exercisable at 30 June 2020
13/12/17	13/12/19	1.09	3.9	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	4,800,000	4,000,000	4,000,000
13/12/17	13/12/21	1.52	4.5	6,000,000	1,200,000	6,000,000	6,000,000
29/11/18	29/11/20	1.10	4.9	2,600,000	2,600,000	800,000	800,000
29/11/18	29/11/21	1.38	5.3	2,300,000	-	2,300,000	2,300,000
29/11/18	29/11/22	1.61	5.6	2,700,000	-	2,700,000	-
Total				**33,200,000**	**23,400,000**	**25,800,000**	**23,100,000**

Notes to the Consolidated Financial Statements

30 JUNE 2020

22. SHARE BASED PAYMENTS (continued)

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 2018	25,600,000	4.45	861
Options outstanding at 30 June 2019	33,200,000	4.64	586
Issued during the year	-	-	
Exercised during the year	(1,800,000)	4.90	
Expired during the year	(4,800,000)	3.90	
Lapsed during the year	(800,000)	4.20	
Options outstanding at 30 June 2020	25,800,000	4.77	304

23. PARENT ENTITY INFORMATION

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

	2020 $	2019 $
Current assets	**11,300,497**	**2,674,165**
Non-current assets	**5,430**	**6,123**
Total assets	**11,305,927**	**2,680,288**
Current liabilities	**(614,980)**	**(790,988)**
Total liabilities	**(614,980)**	**(790,988)**
Net assets	**10,690,947**	**1,889,300**
Issued capital	**52,166,259**	**33,820,100**
Reserves	**1,708,833**	**1,659,080**
Accumulated losses	**(43,184,145)**	**(33,589,880)**
Total equity	**10,690,947**	**1,889,300**
Loss for the year	**(9,594,265)**	**(7,051,263)**
Total comprehensive loss for the year	**(9,594,265)**	**(7,051,263)**

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 2020 or 30 June 2019.

24. FARM-IN AND JOINT VENTURE COMMITMENTS

The Group has the following interests in Farm-In and Joint Ventures:

Barimaia Joint Venture Gold Project
The Barimaia Joint Venture Gold Project is subject to a Joint Venture Agreement (Mt Magnet Joint Venture) formed on 29 November 2019 under which the Group's 100% owned subsidiary, Metallo Resources Pty Ltd (Metallo) has earned an initial 65% interest in the Project. The Project is located in the Murchison District of Western Australia, 10km south-east of the Mt Magnet Gold Mine, operated by ASX-listed Ramelius Resources Limited.

The joint venturers have agreed to conduct exploration to continue development of the Project by way of two separate joint ventures. Metallo has been appointed the manager of the two joint ventures comprising the Mt Magnet Joint Venture.

Desdemona South JV Gold Project
On 10 December 2019, Genesis announced that it had entered into a Farm-in and Joint Venture agreement with Kin Mining NL (ASX: KIN) over the Desdemona South JV Gold Project, located south of Leonora in Western Australia.

Notes to the Consolidated Financial Statements

30 JUNE 2020

24. FARM-IN AND JOINT VENTURE COMMITMENTS (continued)

The initial Farm-In terms are as follows:

- **Stage 1 Expenditure**: Genesis must incur expenditure of not less than $250,000 (Minimum Expenditure) on the JV Area within 18 months of Commencement.

- **Stage 2 Expenditure**: Genesis may earn a 60% interest in the JV Area by incurring a further $750,000 expenditure (total spend of $1,000,000) on the JV Area within 36 months of Commencement.

Once Genesis earns a 60% interest, Kin may elect to form a Joint Venture with participating interests of 60% Genesis and 40% Kin or grant Genesis the right to elect to sole contribute or form a JV. Once Genesis earns a 70% interest (if Kin does not elect to from a JV at 60%), Kin may elect to form a Joint Venture with participating interests of 70% Genesis and 30% Kin or grant Genesis the right to elect to sole contribute or form a JV to move to 80%.

Genesis would need to spend $2.6 million in total to earn an 80% interest in the JV.

25. OPTION TO ACQUIRE KOOKYNIE GOLD PROJECT

On 24 June 2020, Genesis announced that it had entered into a binding agreement to acquire 100% of the Kookynie Gold Project, located immediately south-east of its 100%-owned Ulysses Gold Project.

Genesis has entered into an option agreement with A&C Mining Investment Pty Ltd (A&C) and Ms Yijun Zhu (the Vendors) pursuant to which Genesis, via its wholly owned subsidiary Ulysses Mining Pty Ltd, has been granted the right to acquire the Kookynie Gold Project (Option Agreement).

The key terms of the Option Agreement are as follows:

- Consideration payable of up to A$11 million to the Vendors to acquire the Kookynie Gold Project, being:
  - A $1 million consideration fee for the grant of the option (this was paid prior to 30 June 2020); and
  - A $10 million option exercise payment (assuming Genesis extends the initial term of the option and exercises the option during the extended term), together with the grant of a 1% NSR to the Vendors on future gold production, capped at A$5 million.
- The option exercise payment is $9.5 million (if the option is exercised within the initial term) or $10 million (if the initial term is extended one or more times) less the aggregate amount of all extension payments.
- The option is for an initial term of 6 months, but Genesis may extend this period for 3 months for a payment of $4 million. Genesis may extend the option for a further 3 months for a payment of $3 million. These extension payments will be deducted from the option exercise payment required by Genesis to exercise the option.

Genesis has also agreed to pay approximately $2 million in cash and issue 26,595,745 shares to a third party to resolve proceedings and settle tenement plaints against A&C so as to ensure Genesis acquires clear title to the Kookynie Gold Project. As at 30 June 2020, Genesis has paid $1 million in cash and issued 26,595,745 shares.

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 2020 and of its performance for the financial year ended on that date;

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

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

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

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

Michael Fowler
Managing Director

Perth, 25 September 2020

Bentleys
THINKING AHEAD

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Independent Auditor's Report

To the Members of Genesis Minerals Limited

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 Group"), which comprises the consolidated statement of financial position as at 30 June 2020, 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 Group is in accordance with the *Corporations Act 2001*, including:

   (i) giving a true and fair view of the Group's financial position as at 30 June 2020 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 Group 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 Group incurred exploration expenses of $8,306,909. Exploration expenditure is a key audit matter due to: – The significance to the Group'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 Group holds an interest and the exploration programs planned for those tenements. – For a sample of tenements, we assessed the Group'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 Group'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 Group's annual report for the year ended 30 June 2020, 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 Group'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 Group 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 Group'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 Group'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 Group 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 Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group 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 2020. 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 2020, complies with section 300A of the *Corporations Act 2001*.

Bentleys

BENTLEYS
Chartered Accountants

Mark Delaurentis

MARK DELAURENTIS CA
Partner

Dated at Perth this 25th day of September 2020

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 24 September 2020.

(a) Distribution of equity securities

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

			Unlisted Options		Unlisted Performance Rights		Ordinary Shares	
			Number of holders	Number of options	Number of holders	Number of rights	Number of holders	Number of shares
1	-	1,000	-	-	-	-	41	6,270
1,001	-	5,000	-	-	-	-	29	91,805
5,001	-	10,000	-	-	-	-	98	837,454
10,001	-	100,000	-	-	-	-	846	37,224,738
100,001		and over	5	15,800,000	5	13,500,000	919	1,898,844,376
			5	**15,800,000**	**5**	**13,500,000**	**1,933**	**1,937,004,643**

The number of shareholders holding less than a marketable parcel of shares are: **76**

(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	385,463,924	19.90
2.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	110,371,488	5.70
3.	BOTSIS HOLDINGS PTY LTD	90,066,666	4.65
4.	STEFEAD INVESTMENTS PTY LTD <SWEENEY FAMILY A/C>	82,896,422	4.28
5.	CITICORP NOMINEES PTY LIMITED	70,353,881	3.63
6.	THANKS HOLDINGS PTY LTD <HANKS INVESTMENT A/C>	37,021,984	1.91
7.	NERO RESOURCE FUND PTY LTD <NERO RESOURCE FUND A/C>	34,942,857	1.80
8.	EQUITY TRUSTEES LIMITED <LOWELL RESOURCES FUND A/C>	34,763,932	1.79
9.	UBS NOMINEES PTY LTD	33,000,000	1.70
10.	ZYGMUND WOLSKI <HARPER VALLEY A/C>	31,028,370	1.60
11.	HOP VALLEY HOLDINGS PTY LTD <IZZARD FAMILY A/C>	27,790,605	1.43
12.	MR DENIS JOHN REYNOLDS	27,000,000	1.39
13.	HANKS HOLDINGS PTY LTD <THE HANKS SUPER FUND A/C>	26,004,464	1.34
14.	CIG (WA) PTY LTD <CLARK FAMILY A/C>	24,844,991	1.28
15.	SACROSANCT PTY LTD <SACROSANCT SUPER FUND A/C>	22,970,225	1.19
16.	HS SUPERANNUATION PTY LTD <HS SUPERANNUATION FUND A/C>	14,000,000	0.72
17.	MR MICHAEL JOHN FOWLER	13,982,017	0.72
18.	MR ROBERT JOHN SMITH	13,500,000	0.70
19.	WYLLIE GROUP PTY LTD	13,267,056	0.68
20.	GREAT AUSTRALIA CORPORATION PTY LTD	13,068,445	0.67
Totals: Top 20 holders of ORDINARY FULLY PAID SHARES (TOTAL)		**1,106,337,327**	**57.12**
Total Remaining Holders Balance		**830,667,316**	**42.88**

(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	385,463,924

(d) Voting rights

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

(e) There is no current on-market buy-back

ASX Additional Information

(f) Tenements held

Project	Location	Tenement ID	Interest (%)
Ulysses	Western Australia	E40/295	100
Ulysses	Western Australia	E40/312	100
Ulysses	Western Australia	E40/333	100
Ulysses	Western Australia	E40/359	100
Ulysses	Western Australia	E40/371	100
Ulysses	Western Australia	M40/166	100
Ulysses	Western Australia	P37/9140	100
Ulysses	Western Australia	P37/9141	100
Ulysses	Western Australia	P37/9142	100
Ulysses	Western Australia	P40/1449	100
Ulysses	Western Australia	P40/1457	100
Ulysses	Western Australia	P40/1342	100
Ulysses	Western Australia	P40/1343	100
Ulysses	Western Australia	P40/1396	100
Kookynie	Western Australia	E40/229	Note 1
Kookynie	Western Australia	E40/263	Note 1
Kookynie	Western Australia	E40/281	Note 1
Kookynie	Western Australia	E40/291	Note 1
Kookynie	Western Australia	E40/292	Note 1
Kookynie	Western Australia	E40/306	Note 1
Kookynie	Western Australia	E40/316	Note 1
Kookynie	Western Australia	E40/346	Note 1
Kookynie	Western Australia	E40/347	Note 1
Kookynie	Western Australia	E40/368	Note 1
Kookynie	Western Australia	E40/375	Note 1
Kookynie	Western Australia	G40/4	Note 1
Kookynie	Western Australia	G40/5	Note 1
Kookynie	Western Australia	G40/6	Note 1
Kookynie	Western Australia	G40/7	Note 1
Kookynie	Western Australia	L40/7	Note 1
Kookynie	Western Australia	L40/10	Note 1
Kookynie	Western Australia	L40/11	Note 1
Kookynie	Western Australia	L40/12	Note 1
Kookynie	Western Australia	L40/15	Note 1
Kookynie	Western Australia	L40/17	Note 1
Kookynie	Western Australia	L40/18	Note 1
Kookynie	Western Australia	L40/19	Note 1
Kookynie	Western Australia	L40/20	Note 1
Kookynie	Western Australia	L40/21	Note 1
Kookynie	Western Australia	L40/22	Note 1
Kookynie	Western Australia	M40/2	Note 1

ASX Additional Information

Project	Location	Tenement ID	Interest (%)
Kookynie	Western Australia	M40/3	Note 1
Kookynie	Western Australia	M40/8	Note 1
Kookynie	Western Australia	M40/20	Note 1
Kookynie	Western Australia	M40/26	Note 1
Kookynie	Western Australia	M40/56	Note 1
Kookynie	Western Australia	M40/94	Note 1
Kookynie	Western Australia	M40/101	Note 1
Kookynie	Western Australia	M40/107	Note 1
Kookynie	Western Australia	M40/110	Note 1
Kookynie	Western Australia	M40/117	Note 1
Kookynie	Western Australia	M40/120	Note 1
Kookynie	Western Australia	M40/136	Note 1
Kookynie	Western Australia	M40/137	Note 1
Kookynie	Western Australia	M40/148	Note 1
Kookynie	Western Australia	M40/151	Note 1
Kookynie	Western Australia	M40/163	Note 1
Kookynie	Western Australia	M40/164	Note 1
Kookynie	Western Australia	M40/174	Note 1
Kookynie	Western Australia	M40/192	Note 1
Kookynie	Western Australia	M40/196	Note 1
Kookynie	Western Australia	M40/209	Note 1
Kookynie	Western Australia	M40/288	Note 1
Kookynie	Western Australia	M40/289	Note 1
Kookynie	Western Australia	M40/290	Note 1
Kookynie	Western Australia	M40/291	Note 1
Kookynie	Western Australia	M40/292	Note 1
Kookynie	Western Australia	M40/293	Note 1
Kookynie	Western Australia	M40/339	Note 1
Kookynie	Western Australia	M40/340	Note 1
Kookynie	Western Australia	M40/342	Note 1
Kookynie	Western Australia	M40/343	Note 1
Kookynie	Western Australia	M40/344	Note 1
Kookynie	Western Australia	M40/345	Note 1
Kookynie	Western Australia	P40/1272	Note 1
Kookynie	Western Australia	P40/1300	Note 1
Kookynie	Western Australia	P40/1301	Note 1
Kookynie	Western Australia	P40/1302	Note 1
Kookynie	Western Australia	P40/1303	Note 1
Kookynie	Western Australia	P40/1427	Note 1
Kookynie	Western Australia	P40/1428	Note 1
Kookynie	Western Australia	P40/1433	Note 1
Kookynie	Western Australia	P40/1434	Note 1
Kookynie	Western Australia	P40/1435	Note 1

ASX Additional Information

Project	Location	Tenement ID	Interest (%)
Kookynie	Western Australia	P40/1436	Note 1
Kookynie	Western Australia	P40/1437	Note 1
Kookynie	Western Australia	P40/1438	Note 1
Kookynie	Western Australia	P40/1439	Note 1
Kookynie	Western Australia	P40/1440	Note 1
Kookynie	Western Australia	P40/1441	Note 1
Kookynie	Western Australia	P40/1442	Note 1
Kookynie	Western Australia	P40/1444	Note 1
Kookynie	Western Australia	P40/1445	Note 1
Kookynie	Western Australia	P40/1446	Note 1
Kookynie	Western Australia	P40/1447	Note 1
Kookynie	Western Australia	P40/1454	Note 1
Desdemona South	Western Australia	E37/1326	Note 2
Desdemona South	Western Australia	E40/283	Note 2
Desdemona South	Western Australia	E40/285	Note 2
Desdemona South	Western Australia	E40/323	Note 2
Desdemona South	Western Australia	E40/366	Note 2
Desdemona South	Western Australia	E40/369	Note 2
Desdemona South	Western Australia	M40/346	Note 2
Desdemona South	Western Australia	P40/1283	Note 2
Desdemona South	Western Australia	P40/1464	Note 2
Barimaia	Western Australia	E58/497	Note 3
Barimaia	Western Australia	M58/361	Note 3
Barimaia	Western Australia	P58/1654	Note 3
Barimaia	Western Australia	P58/1655	Note 3
Barimaia	Western Australia	P58/1687	Note 3
Barimaia	Western Australia	P58/1688	Note 3
Barimaia	Western Australia	P58/1689	Note 3
Barimaia	Western Australia	P58/1690	Note 3
Barimaia	Western Australia	P58/1691	Note 3
Barimaia	Western Australia	P58/1692	Note 3
Barimaia	Western Australia	P58/1751	Note 3
Barimaia	Western Australia	P58/1752	Note 3
Barimaia	Western Australia	P58/1762	Note 3
Barimaia	Western Australia	P58/1763	Note 3
Barimaia	Western Australia	P58/1764	Note 3
Barimaia	Western Australia	P58/1765	Note 3

Notes:

1: The Company has an interest in the Kookynie Gold Project tenements pursuant to a binding option agreement to acquire a 100% interest. Refer to the Company's ASX announcement dated 24 June 2020 titled *"Transformational Acquisition of the Kookynie Gold Project"* for full details of the acquisition.

2: The Company holds the right to earn-in to an initial 60 per cent interest in the Desdemona South JV Gold Project, with the potential to earn up to a maximum 80 per cent stake.

3: The Company has earned a 65 per cent interest in the Barimaia 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 2020.

Ulysses Deposit

During the year the Company announced a **107,000oz increase** in the Mineral Resource for the Ulysses deposit from 760,000oz to **867,000oz** of contained gold.

The updated Mineral Resource incorporated the results of the highly successful drilling program completed at Ulysses during the second half of 2019, which returned numerous high-grade intersections that confirmed and extended a number of high-grade gold zones.

The updated Measured, Indicated and Inferred Mineral Resource now totals **8.5Mt @ 3.2g/t gold for 867,000 ounces of contained gold** (refer to Table 1 below), which represents a 14% increase in contained ounces when compared with the October 2018 Mineral Resource. Importantly, the higher-confidence Measured and Indicated component has increased by 103,000 ounces (22%) to 574,000 ounces, with the Measured Resource increasing significantly from 4,000 ounces to 133,000 ounces.

The high-grade portion of the Mineral Resource, reported at a cut-off of 2g/t gold (refer to Table 1 below) is estimated to contain **4.8Mt @ 4.5g/t gold for 695,000 ounces**.

The high-grade shoots which form part of the overall Mineral Resource are estimated to contain **1.73Mt @ 6.5g/t gold for 360,000 ounces**.

The Mineral Resource extends over a strike length of more than 2.5km and sits immediately below and along strike from the Ulysses Open Pits. The Resource envelope currently extends to ~500m below surface at its deepest point and 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).

Ulysses – Kookynie Deposits

On 24 June 2020, the Company announced that it had entered into a binding agreement to acquire 100% of the Kookynie tenements, located immediately south-east of its 100%-owned Ulysses Gold Project.

The landmark transaction significantly advances Genesis' growth strategy in the prolific Leonora district of Western Australia. It includes a JORC 2012 compliant Indicated and Inferred Mineral Resource totalling **8.53Mt at 1.5g/t gold for 414,000oz** across 6 deposits (refer to Table 2 below), a highly prospective 248km2 tenement portfolio, and numerous exploration targets with outstanding potential to expand the existing Resources and deliver new discoveries.

The acquisition has increased the total Mineral Resource at the greater Ulysses Project to **17Mt at 2.34g/t gold for 1.28Moz**.

Mineral Resource Tables

A summary of the December 2019 Ulysses Mineral Resource is provided in Table 1 and the June 2020 Kookynie tenements Mineral Resource in Table 2.

Table 1 December 2019 Mineral Resource Estimate Ulysses 0.75g/t Cut-off above 200mRL, 2.0g/t Below 200mRL

	Measured		**Indicated**		**Inferred**		**Total**		
Domain	**Tonnes Mt**	**Au g/t**	**Tonnes Mt**	**Au g/t**	**Tonnes Mt**	**Au g/t**	**Tonnes Mt**	**Au g/t**	**Au Ounces**
HG Shoots	0.66	6.0	0.89	6.5	0.19	8.2	1.73	6.5	360,600
Shear Zone	0.14	1.3	3.20	2.2	1.88	3.2	5.21	2.5	426,100
Ulysses East			0.53	1.8	1.00	1.6	1.53	1.6	80,500
Total	**0.80**	**5.2**	**4.61**	**3.0**	**3.07**	**3.0**	**8.48**	**3.2**	**867,200**

December 2019 Mineral Resource Estimate 2.0g/t Global Cut-off									
	Measured		**Indicated**		**Inferred**		**Total**		
Type	**Tonnes Mt**	**Au g/t**	**Tonnes Mt**	**Au g/t**	**Tonnes Mt**	**Au g/t**	**Tonnes Mt**	**Au g/t**	**Au Ounces**
Total	**0.66**	**6.0**	**2.42**	**4.4**	**1.70**	**4.1**	**4.78**	**4.5**	**695,900**

Mineral Resources Information

Table 2 June 2020 Mineral Resource Estimate Kookynie

0.5g/t Au Cut-off, Depleted for Historical Mining									
Deposit	Indicated			Inferred			Total		
	Tonnes	Au	Au	Tonnes	Au	Au	Tonnes	Au	Au
	Mt	g/t	Oz	Mt	g/t	Oz	Mt	g/t	Oz
Butterfly	0.54	1.7	30,000	0.52	1.7	29,000	**1.06**	**1.7**	**59,000**
Admiral	1.40	2.0	89,000	1.38	1.5	66,000	**2.78**	**1.7**	**155,000**
Clark	0.40	1.4	18,000	0.35	1.2	13,000	**0.75**	**1.3**	**31,000**
Orion/Sapphire	-	-	-	0.69	2.2	48,000	**0.69**	**2.2**	**48,000**
Puzzle	1.00	1.1	36000	0.72	1.0	23,000	**1.73**	**1.1**	**59,000**
Orient Well	-	-	-	1.51	1.3	61,000	**1.51**	**1.3**	**61,000**
Total	**3.35**	**1.6**	**174,000**	**5.18**	**1.4**	**240,000**	**8.53**	**1.5**	**414,000**

NB. Rounding errors may occur

The Mineral Resources for Ulysses and Kookynie tenements were independently estimated by Payne Geological Services Pty Ltd.

Full details of the Ulysses Mineral Resource estimate are provided in the Company's ASX announcement dated 19 December 2019 titled *"Ulysses Mineral Resource Update"*. Full details of the Kookynie Mineral Resource estimate are provided in the Company's ASX announcement dated 24 June 2020 titled *"Transformational Acquisition of the Kookynie Gold Project"*.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements dated 19 December 2019 and 24 June 2020 and the Company confirms that all material assumptions and technical parameters underpinning the mineral resource estimates in the market announcements 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 announcements.

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 Pty Ltd 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.