Quarterly Activities Report
For the Period Ended 30 June 2012

Genesis Minerals Limited

Poncha and Las Opeñas, San Juan, Argentina

- **High-grade gold mineralisation intersected in drilling at Poncha**
- **Drilling results include 12.15m @ 4.87 g/t gold, 15.9 g/t silver and 0.49% zinc**
- **Highlights potential for significant discovery**
- **Results confirm intermediate sulphidation epithermal high-grade gold mineralisation (eg. Kelian-type) at Poncha**
- **Geological controls on location of high-grade mineralisation now much better understood**
- **Seven holes (1,498m) of a planned 20-hole (4,000m) drill program completed before the onset of winter weather**
- **Inaugural drilling at the Las Opeñas Project (25km away) to test high-grade gold targets to start shortly**
- **Remaining 2,500m of drilling at Poncha to be completed as soon as weather allows**
- **Drilling to continue across the two projects until Christmas, underpinning many months of strong news flow**
- **Drilling results support Genesis' belief that Poncha has the potential to host a multi-million-ounce gold deposit in a high-grade epithermal system**

Dinamarquesa, Chile

- **Potential new porphyry zone identified at Dinamarquesa**
- **Geophysical Induced Polarisation program planned**
- **Further extensive epithermal vein systems identified**

Cerro Verde, Chile

- **Sampling and mapping program to commence**

Corporate

- **Non-renounceable fully underwritten rights issue completed in May 2012 raising $1.35 million**

Genesis Minerals Limited

ASX Code: GMD

Issued Capital
121.8 million shares
53.6 million options

Current Share Price
$0.075

Market Capitalisation
$9 million

Board Members
Michael Haynes
Chairman

Michael Fowler
Managing Director/CEO

Damian Delaney
Non-Executive Director
Company Secretary

ABN: 72 124 772 041

Unit 6, 1 Clive St
West Perth, WA, Australia, 6005

PO BOX 437, West Perth
WA, Australia, 6872

T: +618 9322 6178

info@genesisminerals.com.au
www.genesisminerals.com.au

Registered Office
Ground Floor
20 Kings Park Road
West Perth WA 6005

Chile Office
Av. Estoril 200
Oficina 837
Las Condes
Santiago, Chile
T:+56 2 951 6785

PONCHA AND LAS OPEÑAS, ARGENTINA

Drilling at the Poncha Project in San Juan Province, Argentina during the quarter has returned high-grade gold mineralisation in drill-hole 12 PODH 003, with analytical results including:

- **12.15m @ 4.87 g/t gold, 15.9 g/t silver and 0.49% zinc; and**
- 5.25m @ 0.62 g/t gold, 12 g/t silver, 0.46% lead and 0.77% zinc

The results support Genesis' belief that Poncha has the potential to host a multi-million-ounce gold deposit in a high-grade epithermal system.

Hole 12 PODH 003 was drilled perpendicular to a previous drill hole PC13 (see *Genesis ASX release dated April 6, 2011; see Figure 1)* that intersected:

- 266m @ 1.21 g/t gold including:
  - 22m @ 3.01 g/t gold, 5.4 g/t silver, 0.3% zinc; and
  - 61m @ 3.04 g/t gold containing
    - 4m @ 10.84 g/t gold and 7.9 g/t silver, and
    - 8m @ 10.91 g/t gold and 24 g/t silver.

Recent results indicate that the previous drill hole was probably oriented down-dip of, rather than perpendicular to, the mineralisation. As such the geological controls on the location of this high-grade mineralisation are now much better understood and further drilling can be optimally directed to evaluate the extensions of this mineralisation, which remains open in all directions.

Drilling indicates high-grade mineralisation associated with this zone probably extends to over 300m below surface. **There is significant potential to delineate considerable resources within this mineralised zone.**

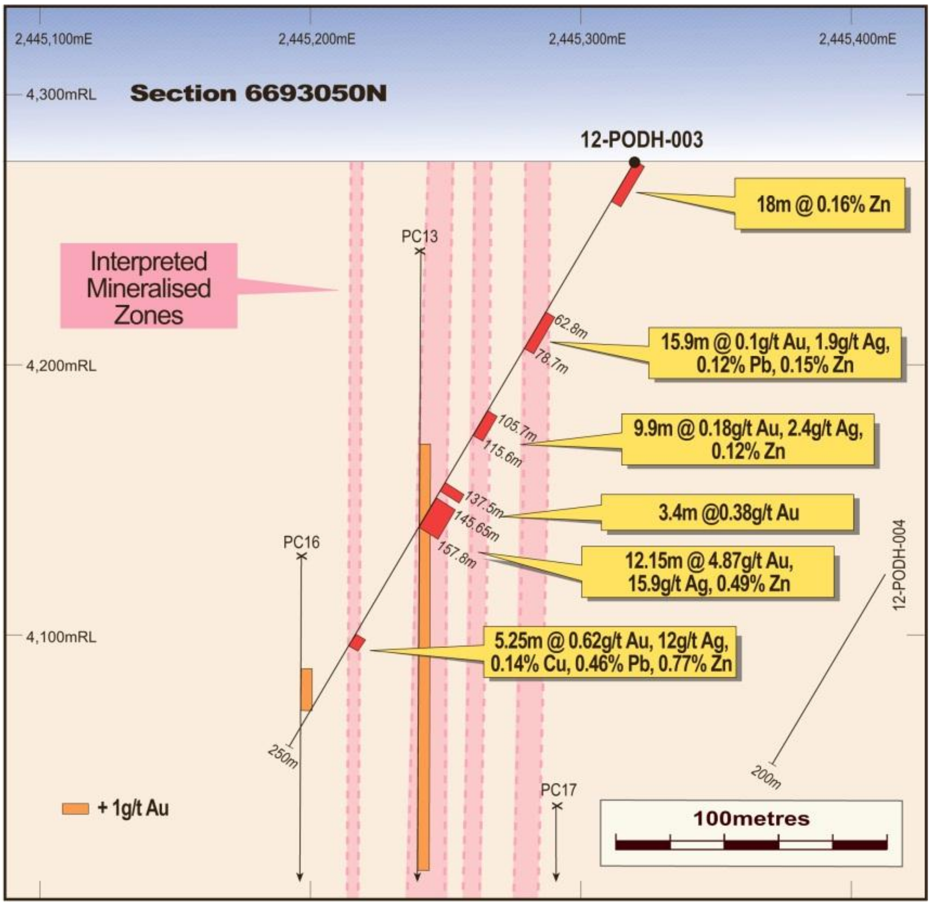


Figure 1. Cross section 6,693,050N

Only seven holes and 1,498 metres of the planned 20-hole, 4,000 metre drill program were completed during the quarter, due to the early onset of inclement winter weather. Despite this program being incomplete the Company has managed to commence the evaluation of a number of targets.

Very encouraging early results have been returned from several of these holes, including:

- 12 PODH 002 - 1.95m @ 0.58 g/t gold, 102.2 g/t silver, +1% copper and 0.55% zinc
- 12 PODH 005 -10.6m @ 0.58 g/t gold
- 12 PODH 006 - 31.6m @ 0.32 g/t gold

Mineralisation in 12 PODH 003 is associated with steeply dipping structures containing pyrite, chalcopyrite and sphalerite (Figure 1). The initial interpretation of the results from 12 PODH 003 indicates the mineralised zone in this area is sub vertical, and trends north to north north-east, rather than east–west as previously interpreted. Mineralisation at the Epithermal South Prospect is classified as an intermediate sulphidation epithermal system. These types of deposits (eg. Kelian) typically have these high grade narrow sulphide-only veins within haloes of low grade gold mineralisation.

Holes 12 PODH 004 to 007 targeted an interpreted north trending gold and zinc in talus fines geochemical anomaly and structural zone 150m to the east of 12 PODH 003. This wide-spaced drilling has returned encouraging low grade gold mineralisation associated with sulphide rich breccias. Hole 12 PODH 006 intersected a sulphide-rich breccia intrusion which warrants further drilling to test for potential high-grade epithermal gold mineralisation associated with breccia intrusions along the interpreted north-south trending structural corridor.

Holes 12 PODH 001 to 003 intersected argillic altered dacite. Mineralisation is associated with steeply dipping structures containing pyrite, chalcopyrite and sphalerite.

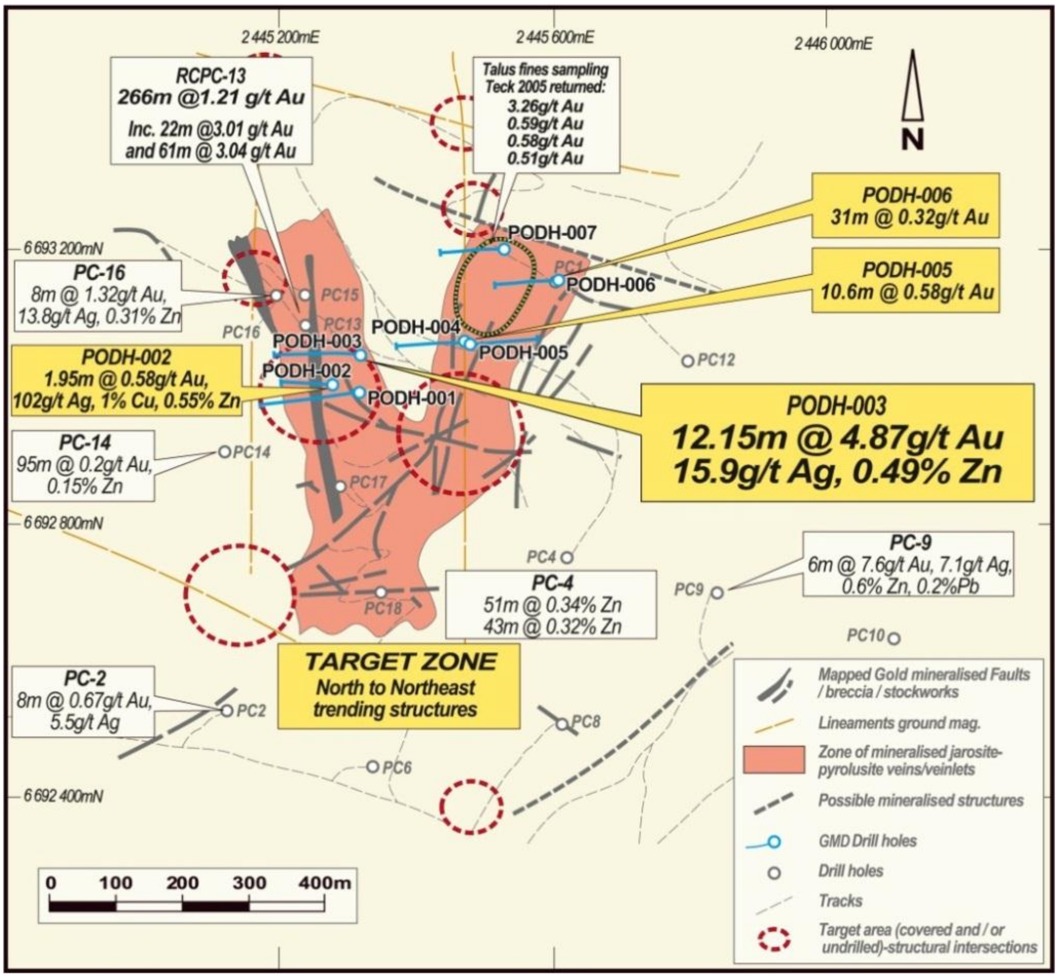


Figure 2. Drill hole location plan Southern Epithermal Prospect.

Holes 12 PODH 004 to 007 intersected mostly argillic altered dacite, lapilli tuffs and breccias. The polymictic breccias intersected in 12 PODH 006 comprise clasts of porphyry, rhyolite and fine grained sediments up to 0.3m in size. Clasts are angular to sub-rounded and the breccia has a milled matrix. Cavities are filled by clays and sulphides and alteration is mainly argillic variable silicification and carbonate alteration. The polymictic breccias are interpreted to be phreatomagmatic breccias.

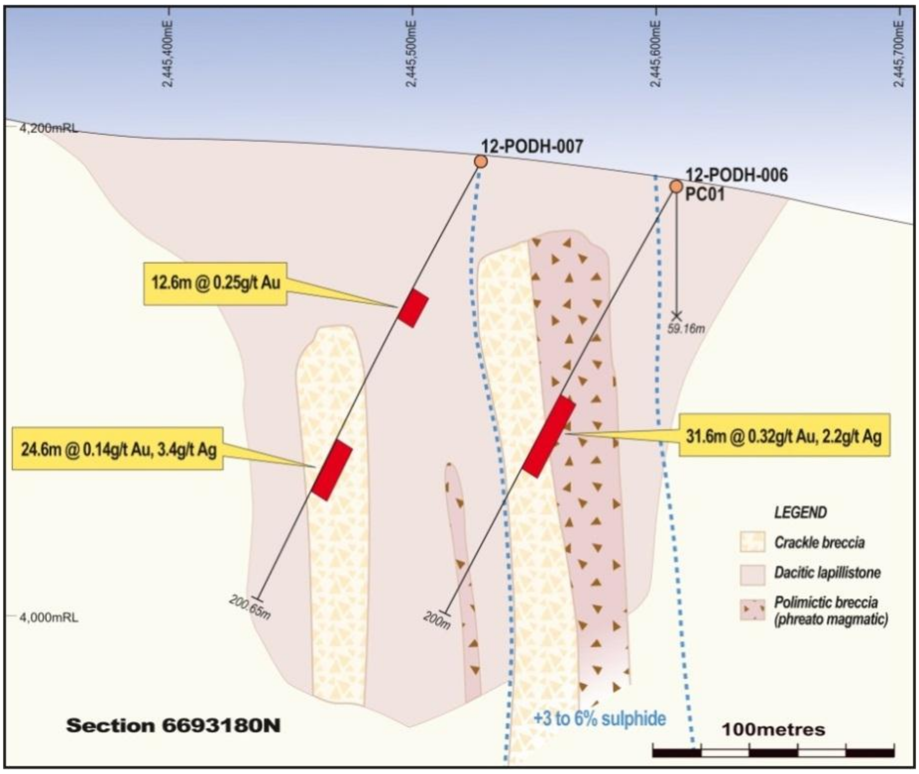


Figure 3. Section 6,693,180N Southern Epithermal Prospect

Further Exploration

Genesis will recommence the suspended drilling program at Poncha as soon as weather conditions allow; with the program expected to resume in October. The program will continue to target a number of structural and geochemical anomalies at the Epithermal South Target as well as the untested Northern Porphyry Target.

A large alteration system (2km by 2km) at the Northern Porphyry and Epithermal target (Figure 4), located about 2km north north-west of the Southern Epithermal Target, remains to be tested. Previous drilling (PC003 and PC005) encountered 206m @ 0.14 g/t gold and 0.14% copper in PC003 and 133.5m @ 0.2 g/t gold in PC005 associated with porphyry hosted mineralisation (Figure 5). Epithermal mineralisation at surface to the north of these drill holes within a large alteration system has not been tested. The area between the Southern Epithermal target and the Northern Porphyry target is under talus scree, so any mineralisation in this area would be obscured by cover, hence further exploration in this area is also warranted.

In the meantime, Genesis is preparing to start drilling next month, subject to environmental approval, at Las Opeñas, which is just 25km away from the Poncha Project, but at lower altitudes and therefore not as adversely affected by weather conditions.

An extensive high-grade epithermal system has been identified at Las Opeñas at surface over 4.5km, with rock chip sampling and mapping returning values of up to 49g/t gold, 183g/t gold and 6,800g/t silver. This area has never been drill-tested.

The twin drilling programs mean Genesis is set to generate strong news flow throughout the remainder of 2012.

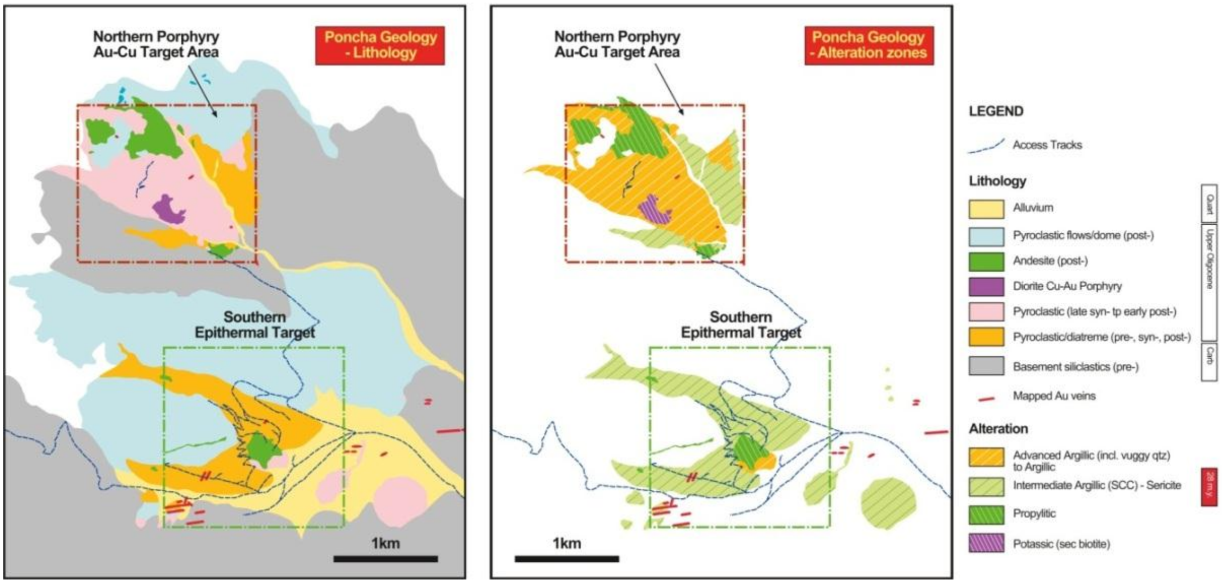


Figure 4 Poncha Target location plan.

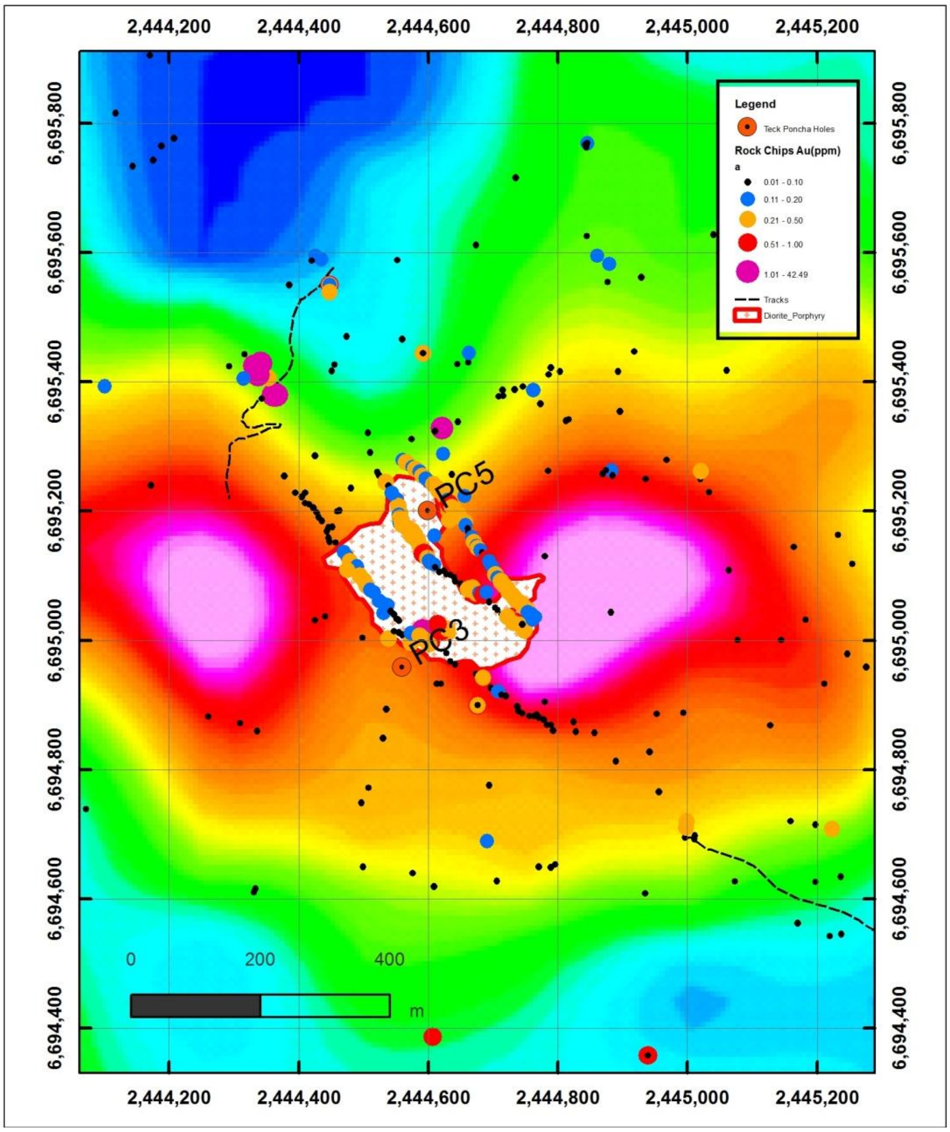
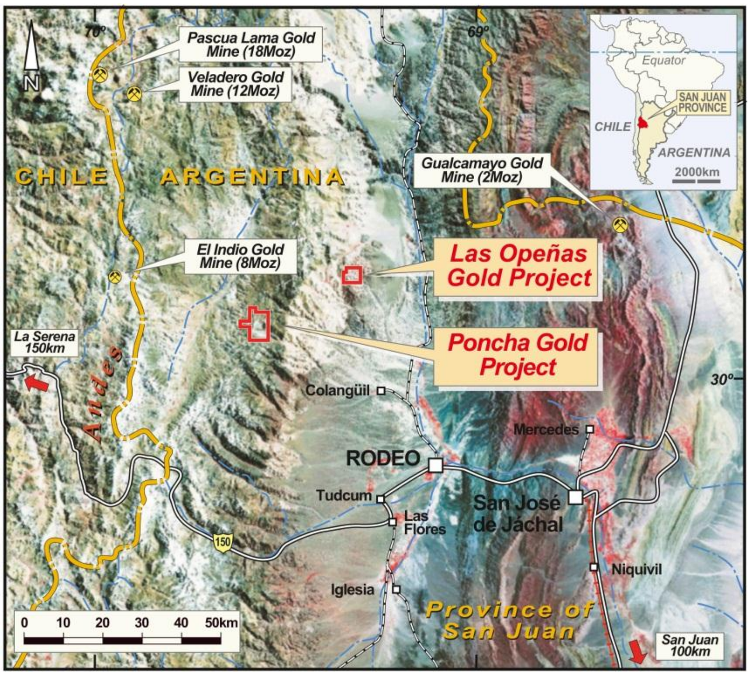


Figure 5 Poncha Northern porphyry target. IP chargeability anomaly at 200m below surface.

Background



Genesis Minerals Limited has agreements with Teck Argentina Ltd. ("Teck"), a wholly owned subsidiary of Teck Resources Limited, to acquire 100% of Teck's right and interest in the Poncha and Las Opeñas epithermal gold projects in San Juan Province, Argentina

The Poncha and Las Opeñas Projects are located 200km northwest of the regional capital San Juan and about 40km northwest of the town of Rodeo in the foothills of the Andes, at elevations of between 2,800m and 4,500m above sea level. Infrastructure in the area is good. Access to the Projects is gained via good paved and gravel roads from Rodeo. The Projects are approximately 25km apart.

DINAMARQUESA PROJECT, CHILE

A mapping and sampling program continued during the quarter. This program has identified a potential porphyry intrusion about 1km north of the Dinamarquesa porphyry and three east north-east trending epithermal vein systems that remain to be tested by drilling. A geophysical program of Induced Polarisation surveying is proposed to test the recently identified blind porphyry target.

CERRO VERDE PROJECT, CHILE

A mapping and sampling program to extend the known vein system commenced late in July. This program is expected to take 2 months to complete. Drilling to test the vein system is now expected to commence in the December quarter.

CORPORATE

A fully underwritten, non-renounceable rights issue at an issue price of $0.10 each, on the basis of one (1) Share and 1 free attaching New Option for every eight (8) Shares was completed in May 2012 and raised approximately $1.35 million. The Company has the following securities on issue:

Class	**Number**	
Ordinary Shares	**121,783,379**	
Unlisted Options	500,000	$0.20 and expiring 28 Feb 2013
Unlisted Options	75,000	$0.20 and expiring 23 Aug 2013
Unlisted Options	75,000	$0.15 and expiring 23 Aug 2013
Unlisted Options	600000	$0.10 and expiring 30 Sept 2012
Unlisted Options	2,400,000	$0.31 and expiring 30 Nov 2013
Unlisted Options	9,500,000	$0.22 and expiring 31 Dec 2014
Unlisted Options	13,510,596	$0.12 and expiring 1 Mar 2013
Unlisted Options	13,510,596	$0.15 and expiring 1 Mar 2014
Unlisted Options	13,510,596	$0.20 and expiring 1 Mar 2015
	53,681,788	

Michael Fowler

Managing Director

Further Information

Contact - Michael Fowler

+61 8 9 322 6178 or mfowler@genesisminerals.com.au

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

Table 1 Significant mineralisation > 0.1g/t gold – 12 PODH 001 to 12 PODH 007

Hole ID	North	East	mRL	Depth	Azi	Dip	From	To	Length	Au (ppm)	Ag (ppm)	Cu (ppm)	Pb (ppm)	Zn (ppm)
12PODH001	6,692,992	2,445,318	4,286	280	270	-60	147.20	150.10	2.90	0.24	0.6	233	73	94
							168.60	176.00	7.40	0.24	1.0	311	91	503
							257.70	259.00	1.30	0.26	4.5	>10000	19	97
12PODH002	6,693,004	2,445,278	4,316	150	270	-60	12.70	14.65	1.95	0.58	102.2	>10000	631	5483
12PODH003	6,693,047	2,445,320	4,275	251	270	-60	62.80	78.70	15.90	0.10	1.9	180	1201	1481
							105.70	115.60	9.90	0.18	2.4	160	238	1264
							137.50	140.90	3.40	0.38	0.4	310	37	417
							145.65	157.80	12.15	4.87	15.9	934	319	4907
					including		*146.7*	*147.7*	*1.0*	*28.1*	*74.2*	*2134*	*740*	*12000*
					including		*156.8*	*157.8*	*1.0*	*30.2*	*104.0*	*8168*	*1807*	*43700*
							202.15	207.40	5.25	0.62	12.0	1458	4675	7792
12PODH005	6,693,062	2,445,478	4,225	200.4	90	-60	61	74.5	13.5	0.2				
							93.4	100.05	6.65	0.18				
							130.3	136.5	6.2	0.22				
							130.3	165.5	35.2					1750
							184.4	195	10.6	0.58				
12PODH006	6,693,155	2,445,609	4,176	200	270	-60	101	132.6	31.6	0.32				
12PODH007	6,693,201	2,445,528	4,185	200.65	270	-60	59.1	71.7	12.6	0.25	2.66			
							127.4	152	24.6	0.14	3.7			

- Final assay results from ½ HQ diamond core
- Analysis completed by Inspectorate Services Perú S.A.C., Peru
- All samples were analysed for gold and silver by fire assay, and copper, lead, and zinc by ICP
- Reference standards, duplicate and blank samples were routinely submitted and were within acceptable limits based on current data.
- Drill hole collar positions surveyed by GPS and down hole surveys by a single shot Eastman Camera.