



GENESIS MINERALS LIMITED

ACN 124 772 041

NOTICE OF GENERAL MEETING AND EXPLANATORY STATEMENT

TIME: 10.00am (WST)

DATE: 22 September 2016

PLACE: At the offices of Bentleys, London House, Level 3, 216 St Georges Terrace, Perth,
Western Australia

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61 8) 9322 6178.

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TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The General Meeting of Shareholders to which this Notice of Meeting relates will be held at 10.00am (WST) on 22 September 2016 at:

Offices of Bentleys, London House, Level 3, 216 St Georges Terrace, Perth, Western Australia

YOUR VOTE IS IMPORTANT

The business of the General Meeting affects your shareholding and your vote is important.

VOTING IN PERSON

To vote in person, attend the General Meeting on the date and at the place set out above.

VOTING BY PROXY

To vote by proxy, please complete and sign the enclosed Proxy Form and return by:

- (a) post to Genesis Minerals Limited, PO Box 937, West Perth, WA 6872; or
- (b) email to admin@genesisminerals.com.au,

so that it is received not later than 10.00am (WST) on 20 September 2016.

Proxy Forms received later than this time will be invalid.

NOTICE OF GENERAL MEETING

Notice is given that a General Meeting of Shareholders will be held at 10.00am (WST) on 22 September 2016 at the offices of Bentleys, London House, Level 3, 216 St Georges Terrace, Perth, Western Australia.

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the General Meeting. The Explanatory Statement and the Proxy Form are part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the General Meeting are those who are registered as Shareholders at 5.00 pm (WST) on 20 September 2016.

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

AGENDA

1. RESOLUTION 1 – APPROVAL TO ISSUE SHARES TO SMS

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

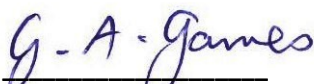
*"That, for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 100,000,000 fully paid ordinary shares in the capital of the Company (**SMS Shares**) to SMS Innovative Mining Pty Ltd (or its nominee), at a price of \$0.025 per SMS Share and otherwise on the terms and conditions set out in the Explanatory Statement accompanying this Notice."*

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who will participate in the issue and any of their associates. However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

DATED: 18 AUGUST 2016

BY ORDER OF THE BOARD



GEOFF JAMES
COMPANY SECRETARY

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of Shareholders in connection with the business to be conducted at the General Meeting to be held at 10.00am (WST) on 22 September 2016 at the offices of Bentleys, London House, Level 3, 216 St Georges Terrace, Perth, Western Australia.

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

1. RESOLUTION 1 – APPROVAL TO ISSUE SHARES TO SMS

1.1 Background

Mining Alliance

On 9 August 2016, the Company announced that it had entered into a Mining Alliance Agreement (“**Mining Alliance**”) with SMS Innovative Mining Pty Ltd (“**SMS**”) to initially develop and mine the Ulysses West open pit, which will include SMS providing mining and related services including haul road construction, mobilisation of equipment, site establishment, drill and blast, and load and haul of waste and ore (“**Mining Services**”).

Under the Mining Alliance, SMS will provide the Mining Services at agreed alliance rates, with invoiced amounts to be satisfied via a combination of equity and deferred loan payment arrangements (effectively meaning that, subject to Shareholders approving this Resolution, SMS will be providing a mix of equity and debt funding to support the development of the initial open pit at Ulysses West).

The initial \$2.5 million of Mining Services will be satisfied by the issue to SMS (or its nominee) of Shares in Genesis at an agreed price of \$0.025 per share. The issue of the Shares to SMS is at the same price as the recently completed \$1.7 million share placement announced on 9 August 2016. Once the aggregate amount of \$2.5 million has been reached, all further amounts subsequently invoiced by SMS for Mining Services will be treated as an interest free loan from SMS to Genesis (if required), which will continue to accrue until repaid out of cashflow generated by Genesis from gold sales from Ulysses West.

Benefits of alliance

The key benefits of entering into the Mining Alliance include that:

- it significantly de-risks the development of the Ulysses West open pit and provides an attractive funding solution for the commencement of mining;
- it contemplates the provision of support and expertise by SMS, a group with a strong track record in mining similar-sized operations; and
- it contemplates that both parties will seek to jointly identify and pursue new project opportunities to generate further low-risk cash flow returns.

About SMS

SMS is a highly-regarded mining contractor and is a wholly owned subsidiary of SMS Rental Pty Ltd, which has been operating for over 15 years. SMS is a privately owned company, headquartered in Perth with large workshop facilities in Welshpool, Kalgoorlie and Port Hedland.

SMS has over 100 employees located in Western Australia, has a fleet of over 200 heavy earthmoving assets across Australia and specialises in providing innovative solutions to clients for contract mining, equipment rental and maintenance services.

About this Resolution

Resolution 1 seeks Shareholder approval pursuant to Listing Rule 7.1 for the issue of the SMS Shares to SMS. SMS have agreed to enter into a 12 month voluntary escrow agreement over the Shares to be issued under this Resolution.

Following the approval of Resolution 1 and assuming the activities described in the Mining Alliance are carried out as anticipated (and that no other Shares are issued by the Company prior to the issue of the SMS Shares in full), SMS will emerge with a stake of approximately 14.11% in the Company.

The Board considers that the Mining Alliance is the most favourable funding solution to enable the commencement of mining at Ulysses West. If approval is not received under Resolution 1, the commencement of mining of the Ulysses West pit will be delayed and will only occur subject to sourcing a suitable funding package. There is no certainty that an alternative suitable funding package will be found.

1.2 ASX Listing Rules 7.1 and 7.1A

Subject to certain exceptions and to Listing Rule 7.1A, Listing Rule 7.1 prevents a company from issuing or agreeing to issue new equity securities, or other securities with rights of conversion to equity (such as an option), in any 12 month period which amount to more than 15% of the company's ordinary securities on issue without shareholder approval.

Listing Rule 7.1A permits eligible entities, which have obtained shareholder approval by special resolution at the company's annual general meeting, to issue equity securities up to an additional 10% of its issued capital by placements over a 12 month period after that annual general meeting (**10% Placement Capacity**).

Approval for the 10% Placement Capacity may only be obtained at the company's annual general meeting. The Company previously received Shareholder approval for the 10% Placement Capacity at the annual general meeting held on 30 November 2015.

1.3 ASX Listing Rule 7.3

For the purposes of Listing Rule 7.1, the following information is provided to Shareholders in accordance with Listing Rule 7.3:

- (a) the SMS Shares are to be issued to SMS Innovative Mining Pty Ltd (or its nominee);
- (b) the maximum number of Shares to be issued to SMS is 100,000,000 fully paid ordinary shares;
- (c) the SMS Shares will be issued within 3 months of obtaining Shareholder approval and will be issued progressively to SMS in satisfaction of amounts invoiced by SMS for Mining Services in accordance with the Mining Alliance. Each relevant tranche of SMS Shares will be issued no later than 7 days after the valid invoice to which they relate is received;
- (d) the issue price of the SMS Shares will be \$0.025 per Share;
- (e) the SMS Shares will be issued on the same terms and conditions as the Company's existing Shares;
- (f) no funds will be raised from the issue of the SMS Shares. The SMS Shares are to be issued in full satisfaction for Mining Services provided by SMS in connection with the Ulysses West open pit; and
- (g) a voting exclusion statement has been included in the Notice of Meeting for the purposes of Resolution 1.

1.4 Directors' Recommendation

The Directors unanimously recommend Shareholders vote in favour of Resolution 1.

GLOSSARY

\$ means Australian dollars.

ASX means ASX Limited.

ASX Listing Rules or **Listing Rules** means the Listing Rules of ASX.

Board means the current board of Directors of the Company.

Chair means the chair of the General Meeting.

Company or **Genesis** means Genesis Minerals Limited (ACN 124 772 041).

Corporations Act means the *Corporations Act* 2001 (Cth).

Directors means the current Directors of the Company.

Equity Securities has the same meaning as in the Listing Rules.

Explanatory Statement means the explanatory statement accompanying the Notice of Meeting.

General Meeting means the meeting convened by the Notice of Meeting.

Listing Rules means the Listing Rules of ASX.

Notice, Notice of Meeting or **Notice of General Meeting** means this notice of general meeting, including the Explanatory Statement.

Resolutions means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

WST means Western Standard Time as observed in Perth, Western Australia.

GENESIS MINERALS LIMITED ACN 124 772 041**PROXY FORM**

The Company Secretary
Genesis Minerals Limited
PO Box 937
West Perth WA 6872

Ph (+61 8) 9322 6178/admin@genesisminerals.com.au

I/We being a member(s) of Genesis Minerals Limited and entitled to attend and vote at the General Meeting, hereby
Appoint

Name of proxy

OR

Mark this box if you wish to appoint the Chair of the General Meeting as your proxy

or failing the person/body corporate so named or, if no person/body corporate is named, the Chair of the General Meeting, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, as the proxy sees fit, at the General Meeting of the Company to be held at 10.00am (WST) on 22 September 2016 at the offices of Bentleys, London House, Level 3, 216 St Georges Terrace, Perth, Western Australia, and at any adjournment thereof.

If you appoint a proxy, the Company encourages you to direct your proxy how to vote on each item of business.

The Chair of the Meeting intends to vote all undirected proxies, which the Chair is entitled to vote, in favour of each item of business.

Voting on Business of the General Meeting

Resolution 1 – Approval to Issue Shares to SMS

FOR

AGAINST

ABSTAIN

If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not to be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is

Signed this day of 2016 _____ %

By: Individuals and joint holders

Signature

Signature

Signature

Companies (affix common seal if appropriate)

Director

Director/Company Secretary

Sole Director and Sole Company Secretary

1. A member entitled to attend and vote at the General Meeting is entitled to appoint not more than two proxies to attend and vote on a poll on their behalf. The appointment of a second proxy must be done on a separate copy of the Proxy Form. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If a member appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes. A duly appointed proxy need not be a shareholder of the Company.
2. If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If the person you wish to appoint as your proxy is someone other than the Chair of the Meeting, please write the full name of that individual or body corporate in the space provided. If you leave both the box and this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a security holder of the Company. A proxy may be an individual or a body corporate.

If your appointment of a proxy specifies the way the proxy is to vote on a particular resolution and your appointed proxy is not the Chair of the meeting and at the meeting a poll is duly demanded on the question that the resolution be passed, then if either your proxy is not recorded as attending the meeting (if a record of attendance is made) or your proxy does not vote on the resolution, the Chair is taken, before voting on the resolution closes, to have been appointed as your proxy for the purposes of voting on the resolution at that meeting.

3. You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction, unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate place. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

If you direct your proxy how to vote on a particular resolution, the proxy need not vote on a show of hands but if the proxy does so, the proxy must vote as directed. If the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands. If the proxy is the Chair, the proxy must vote on a poll, and must vote as directed and if the proxy is not the Chair, the proxy need not vote on the poll, but if the proxy does so, the proxy must vote as directed. If any member of the Key Management Personnel of the Company, other than the Chair of the Meeting, or a Closely Related Party of a member of the Key Management Personnel is your nominated proxy and you have not directed the proxy how to vote on resolutions concerning remuneration of Key Management Personnel, that person will not cast any votes on those Resolutions.

4. Where a member's holding is in one name the holder must sign. Where the holding is in more than one name, all members should sign.
5. Where a Proxy Form of a corporate representative is lodged and is executed under a power of attorney, the power of attorney must be lodged in like manner as this Proxy Form.
6. Corporate members should comply with the execution requirements set out on the Proxy Form or otherwise with the provisions of Section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:
 - 2 directors of the company;
 - a director and a company secretary of the company; or
 - for a proprietary company that has a sole director who is also the sole company secretary – that director.

For the Company to rely on the assumptions set out in Section 129(5) and (6) of the Corporations Act, a document must appear to have been executed in accordance with Section 127(1) or (2). This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of Section 127(1) or (2) as applicable. In particular, a person who witnesses the affixing of a common seal and who is the sole director and sole company secretary of the company must state that next to his or her signature.

7. Completion of a Proxy Form will not prevent individual members from attending the General Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the General Meeting in person, then the proxy's authority to speak and vote for that member is suspended while the member is present at the General Meeting.
8. To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
 - (a) post to Genesis Minerals Limited, PO Box 937, West Perth, WA 6872; or
 - (b) email to admin@genesisminerals.com.au,

so that it is received not later than 10am (WST) on 20 September 2016.

Proxy forms received later than this time will be invalid.