

RECEIPT OF FINAL APPROVALS PAVES WAY FOR START OF MINING AT ULYSSES GOLD PROJECT, WA

*Imminent commencement of mining and cash-flow will allow Genesis to
ramp-up exploration activities on several fronts*

Key points:

- Final statutory approvals received from the Department of Mines and Petroleum and the Commissioner of Main Roads, allowing mining to commence at the Ulysses West open pit that forms part of the Ulysses gold project near Leonora in WA.
- Mining scheduled to commence in late September immediately following shareholder approval for the \$2.5M share placement to SMS Innovative Mining Pty Ltd (“SMS”) as part of the recently announced Mining Alliance.
- Site mobilisation to commence to establish haulage roads and site infrastructure adjacent to the open pit.
- First ore expected to be delivered to the 3.5Mtpa Paddington gold plant by mid-October under the Toll Milling Agreement with Paddington Gold Pty Ltd.
- First cash-flow anticipated by early November, with the mining operation forecast to generate free cash-flow of ~\$6M from the 5-month duration of the Ulysses West pit (Ore Reserve: 74,000t at 4.1g/t for 9,700oz¹).
- Drilling and exploration programs currently ramping up on multiple fronts, with:
 - Grade control drilling recently completed at Ulysses West in preparation for mining;
 - Aircore drilling to commence mid-September at the Ulysses project to expand the footprint of the mineralisation followed by aircore drilling at the Viking project near Norseman;
 - Auger drilling recently completed at Viking – assays awaited; and
 - Extensive RC drill programs planned to commence at both Ulysses and Viking in late October/November – continuing to the end of the year.

Genesis Minerals Limited (ASX: GMD) is pleased to advise that it has received the final outstanding regulatory approvals required to commence open pit mining operations at its 100%-owned **Ulysses Gold Project** near Leonora in Western Australia, paving the way for mining to commence later this month.

The imminent start of production and cash-flow from Ulysses marks the beginning of an important new phase of growth and activity for Genesis.

The cash-flow generated at Ulysses will underpin the Company's strategy to ramp-up exploration activities both at Ulysses and its highly prospective Viking exploration project, located near Norseman in the Albany-Fraser Province.

¹ See GMD ASX Release dated August 9, 2016 and Table 1 for a breakdown of the individual Ore Reserve categories. The Company has concluded it has a reasonable basis for providing the forward looking statements in this announcement. See Appendix 1: Forward Looking and Cautionary Statements.

The key objectives of the upcoming exploration programs are to:

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

This two-pronged strategy should generate significant news-flow for the Company over the coming months, both from the start of mining activities and from a multi-pronged exploration campaign across two highly prospective WA gold projects.

Genesis Managing Director Michael Fowler said the start of production and cash-flow at Ulysses West represented a key milestone in the Company's history.

"We are pleased to have teamed up with SMS Innovative Mining Pty Ltd as part of a mining alliance which will allow us to generate very strong returns from mining the Ulysses West open pit in a very short space of time," he said.

"All approvals and preparations are now in place in readiness for the start of mining later this month.

"In parallel with these activities, we have also been preparing for two pivotal drilling programs, both scheduled to commence in October. At Ulysses, we will be drilling below the existing open pit to identify potential additions to the current resource inventory. At Viking, we will be testing multiple highly promising prospects to assess the potential for a company-changing gold discovery.

"This is an exciting time for Genesis and we are very much looking forward to what the next few months could bring."

Mining Approvals

The Company has now received the final two outstanding statutory approvals required to commence mining operations at Ulysses West. These approvals, the Project Management Plan (Safety) and the Deed for Blasting and Road Closure, have been received respectively from the Department of Mines and Petroleum (DMP) and the Commissioner of Main Roads Western Australia.

All other approvals and licences, including the DMP Mining Proposal, Mine Closure Plan, DMP Clearing Permit and a Groundwater Abstraction Licence, have already been either approved or issued.

A Toll Milling Agreement is already in place with Paddington Gold Pty Ltd, a wholly-owned subsidiary of Norton Gold Fields Ltd, with the ore to be processed at the 3.5Mtpa Paddington mill located 160km south of the Ulysses Project.

As announced previously, the Company has also entered into a Mining Alliance with highly respected mining contractor, SMS Innovative Mining Pty Ltd ("SMS"). Under this arrangement, SMS is providing a mixture of equity and debt funding for the Ulysses West Project, significantly reducing development and funding risk.

SMS is subscribing for a \$2.5 million share placement in Genesis at 2.5 cents per share (to be approved at the General Meeting on 22 September). Genesis will issue shares to SMS until full satisfaction of invoiced amounts as per the mining schedule and agreed mining contract rates to an aggregate of \$2.5 million. Once this amount has been reached, all further invoiced amounts will be treated as an interest-free loan to Genesis (if required) which will continue to accrue until repaid out of cash-flow.

Mining Timetable

Site mobilisation will commence shortly to establish access roads and site infrastructure adjacent to the Ulysses West open pit (see Figure 1). The following key milestones are expected over the coming months:

- 22 September – General Meeting to approve \$2.5 million share placement to SMS Innovative Mining Pty Ltd, the mining services provider for the Ulysses West open pit;
- Late-September – planned mobilisation and start of mining activities at Ulysses West;
- Mid-October – planned dispatch of first ore to the Paddington mill under the Toll Milling Agreement;
- Early-November – receipt of first payment from Paddington Gold Pty Ltd under the Toll Milling Agreement;
- Late-December – anticipated completion of open pit mining at Ulysses West; and
- Late-February 2017 – anticipated final payment from Paddington Gold Pty Ltd under the Toll Milling Agreement for Ulysses West ore.

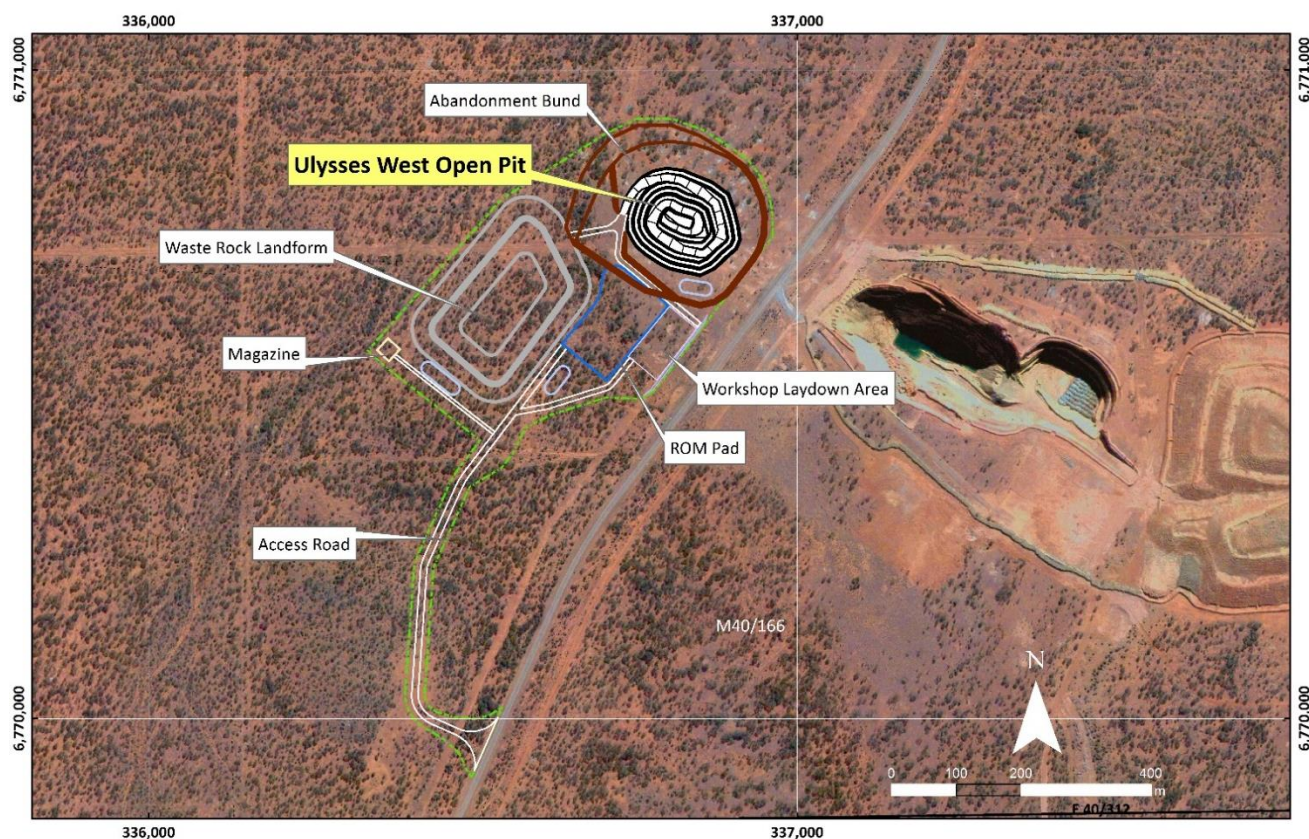


Figure 1 – Location map showing site layout

Expected Financial Outcomes

As announced on 9 August 2016, the Ulysses West pit is expected to generate strong financial returns from a 5-month operation, providing a strong platform for the Company to progress its broader growth strategy.

The project is forecast to generate total estimated free cash-flow of ~\$6 million from the initial Ulysses West operation (based on a gold price of A\$1750 per ounce).

This is based on the Feasibility Study completed in August, which was based on a Probable Ore Reserve of 74,000 tonnes at 4.1g/t gold for 9,700 contained ounces².

Once the Ulysses West open pit has concluded and final payments have been received from Paddington Gold Pty Ltd, Genesis expects to have a net cash position of \$7 to 9 million, putting it in a strong position to progress its longer term growth strategy via exploration at Viking and Ulysses and potentially through the development of additional low-risk open pit gold projects.

Drilling and Exploration Update

With the imminent commencement of mining operations and cash-flow from Ulysses West, Genesis has an active exploration and drilling program mapped out for the remainder of the year. This should deliver strong news-flow on several fronts.

A program of grade control drilling has recently been completed within the Ulysses West open pit in preparation for mining.

The Company will commence an aircore drilling program in September at Ulysses to identify potential extensions of the mineralisation footprint outside of the currently identified resource inventory. Drilling will target a significant mineralised corridor over 1.5km in strike length immediately east of the Ulysses Mineral Resource at Ulysses East. This area has high potential to define resources capable of being mined by open pit methods.

A program of auger drilling has also recently been completed at the Viking Gold project near Norseman, with assays awaited. The auger program targeted a number of surface gold anomalies previously defined by AngloGold in wide spaced, first pass sampling. Results from the infill sampling will allow the definition of targets to be tested by aircore drilling in late September together with strike extension drilling at the Beaker prospect.

Once results from these programs have been received and analysed, the Company will begin preparations for deeper RC drill programs at both projects. These drill programs are scheduled to commence in October, and should run for much of the remainder of this year. Further information on these drill programs will be provided in due course.

ENDS

For further information, visit: www.genesisminerals.com.au or please contact

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² Refer to the ASX Announcement dated August 9, 2016 for details of the material assumptions underpinning the production target and forecast financial information for Ulysses West. The Company confirms that all the material assumptions underpinning the production target and forecast financial information derived from the production target continue to apply and have not materially changed.

COMPETENT PERSONS' STATEMENTS

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

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

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

Table 1 Ulysses Ore Reserve Summary – August 2016

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

Note: Rounding errors may occur

Ulysses Mineral Resource Inclusive of Ore Reserves

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

Appendix 1: Forward Looking and Cautionary Statements

Some statements in this report regarding estimates or future events are forward looking statements. They include indications of, and guidance on, future earnings, cash flow, costs and financial performance. Forward looking statements include, but are not limited to, statements preceded by words such as “planned”, “expected”, “projected”, “estimated”, “may”, “scheduled”, “intends”, “anticipates”, “believes”, “potential”, “could”, “nominal”, “conceptual” and similar expressions. Forward looking statements, opinions and estimates included in this announcement are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Forward looking statements are provided as a general guide only and should not be relied on as a guarantee of future performance. Forward looking statements may be affected by a range of variables that could cause actual results to differ from estimated results, and may cause the Company’s actual performance and financial results in future periods to materially differ from any projections of future performance or results expressed or implied by such forward looking statements. These risks and uncertainties include but are not limited to liabilities inherent in mine development and production, geological, mining and processing technical problems, the inability to obtain any additional mine licenses, permits and other regulatory approvals required in connection with mining and third party processing operations, competition for among other things, capital, acquisition of reserves, undeveloped lands and skilled personnel, incorrect assessments of the value of acquisitions, changes in commodity prices and exchange rate, currency and interest fluctuations, various events which could disrupt operations and/or the transportation of mineral products, including labour stoppages and severe weather conditions, the demand for and availability of transportation services, the ability to secure adequate financing and management’s ability to anticipate and manage the foregoing factors and risks. There can be no assurance that forward looking statements will prove to be correct.

This announcement has been prepared in compliance with the JORC Code (2012) and the current ASX Listing Rules.

Genesis Minerals Limited has concluded it has a reasonable basis for providing the forward looking statements included in this announcement. The Company advises that the Feasibility Study results, Production Target and Forecast Financial Information contained in this announcement are based on a Probable Ore Reserve. The announcement dated August 9, 2016 contains details of the Mining Alliance and capital raising which provides the Company with sufficient funding to commence mining at Ulysses West.