

MINING TO COMMENCE NEXT WEEK AT ULYSSES FOLLOWING SHAREHOLDER APPROVAL

Key points:

- Shareholder approval received for \$2.5M share placement to SMS Innovative Mining Pty Ltd (“SMS”) as part of the recently announced Mining Alliance for the Ulysses Gold Project, WA.
 - Mobilisation of mining fleet to commence this weekend with open pit mining activities expected to ramp-up next week.
 - 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 also advancing with aircore drilling now underway at Ulysses to expand the footprint of the mineralisation.
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Genesis Minerals Limited (ASX: GMD) is pleased to advise that shareholders have today endorsed its strategy to commence open pit mining operations at its 100%-owned **Ulysses Gold Project** near Leonora in Western Australia, with the receipt of shareholder approval today for a \$2.5 million share placement to its mining contractor, SMS Innovative Mining Pty Ltd (“SMS”).

Under its agreement with SMS, 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.

All other regulatory approvals are in place to allow mining to commence at Ulysses and SMS will begin mobilising to site this weekend. Access roads and site infrastructure will be established, and mining activities at the Ulysses West open pit (see Figure 1) are expected to ramp up next week.

First ore from the Ulysses West open pit is expected to be dispatched to the Paddington Mill by mid-October under the previously announced Toll Milling Agreement. 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), 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.

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.

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.

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 \$7-9 million, putting it in a strong position to progress its longer term growth strategy.

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.

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 multiple exploration campaigns across two highly prospective WA gold projects.

A program of aircore drilling has recently commenced at Ulysses to expand the footprint of the mineralisation, and is scheduled to commence at Viking next month. Further announcements regarding the Company's upcoming exploration activities will be made in due course.

Genesis Managing Director Michael Fowler said the Company was looking forward to the start of mining at Ulysses, with the commencement of production and cash-flow set to drive its next phase of growth.

"The receipt of shareholder approval for the placement to SMS Innovative Mining ticks another important box for us, and clears the way for site mobilisation to begin," he said. "This will occur over the weekend with mining activities on track to start next week.

"There will be a great deal happening on site at Ulysses, with aircore drilling also in full swing to scope out potential extension of the current resource inventory. We look forward to providing further updates both on mining and exploration activities in the coming weeks."

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

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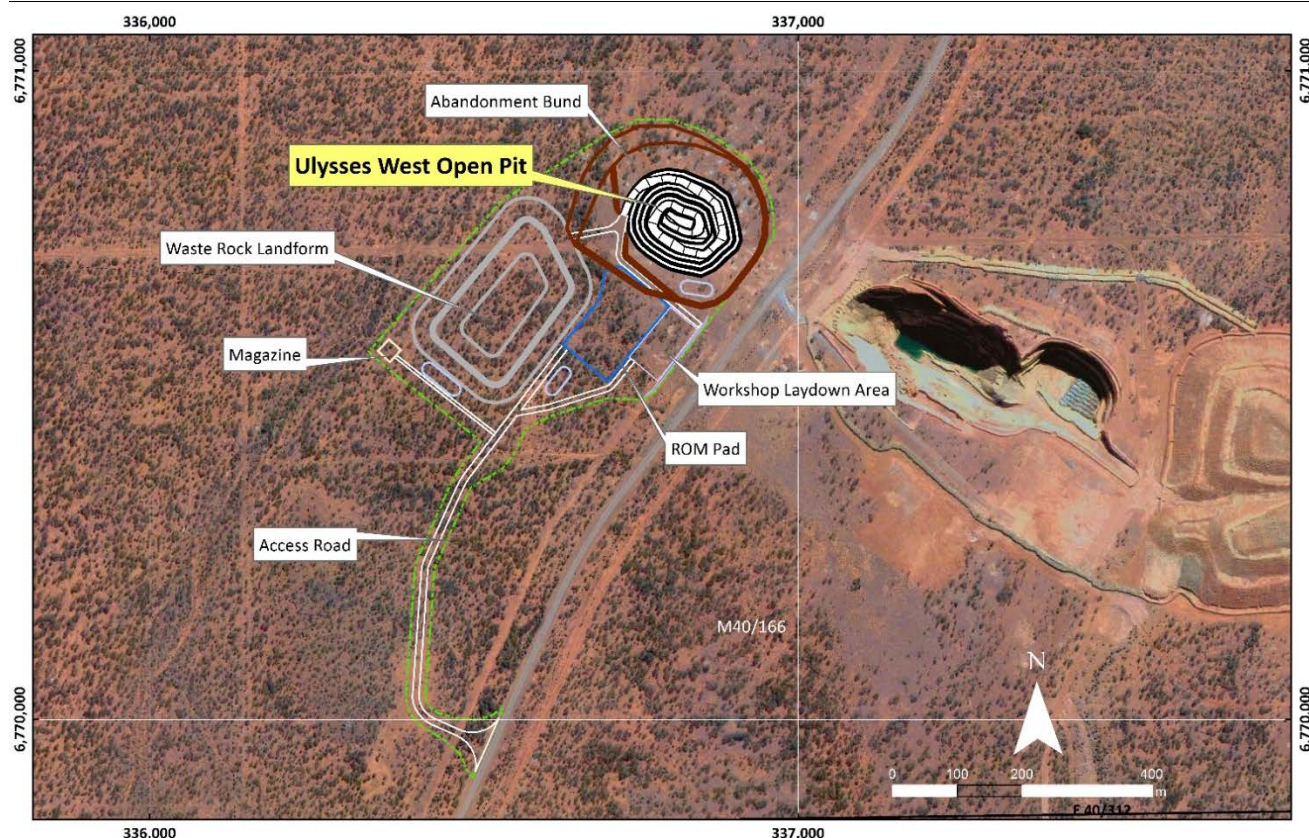


Figure 1 – Location map showing site layout

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.