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## GENESIS MINERALS LIMITED

ACN 124 772 041

### NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY STATEMENT

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**TIME:** 10.00am (WST)

**DATE:** 30 November 2016

**PLACE:** Conference Room, London House, Ground Floor, 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**

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**VENUE**

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The Annual General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 10.00am (WST) on 30 November 2016 at:

Conference Room, London House, Ground Floor, 216 St Georges Terrace, Perth, Western Australia

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**YOUR VOTE IS IMPORTANT**

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

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**VOTING IN PERSON**

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

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**VOTING BY PROXY**

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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](mailto:admin@genesisminerals.com.au)

so that it is received not later than 10.00am (WST) on 28 November 2016.

**Proxy Forms received later than this time will be invalid.**

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## NOTICE OF ANNUAL GENERAL MEETING

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Notice is given that the Annual General Meeting of Shareholders will be held at 10.00am (WST) on 30 November 2016 at the Conference Room, London House, Ground Floor, 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 Annual 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 Annual General Meeting are those who are registered Shareholders at 5.00 pm (WST) on 28 November 2016.

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

### AGENDA

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#### 1. ANNUAL REPORT

To receive and consider the financial report of the Company together with the reports of the Directors and the auditor for the financial year ended 30 June 2016.

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#### 2. RESOLUTION 1 – ADOPTION OF THE REMUNERATION REPORT

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

*“That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, the remuneration report for the financial year ended 30 June 2016 be adopted”.*

**Short Explanation:** The Remuneration Report is in the Directors' Report section of the Company's Annual Report. Listed companies are required to put the Remuneration Report to the vote for adoption at the Company's Annual General Meeting. The vote on this resolution is advisory only and does not bind the Directors or the Company.

**Voting Prohibition Statement:** A vote on this resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However any of those persons may cast a vote on the resolution if:

- (a) the person does so as a proxy appointed in writing that specifies how the proxy is to vote on the proposed resolution; and
- (b) the vote is not cast on behalf of a person described in paragraphs (a) or (b) above.

If you appoint the Chair as your proxy, the Company encourages you to direct the Chair how to vote on this advisory Resolution. The Chair, as one of the Key Management Personnel, is not permitted to cast any votes in respect of this advisory Resolution that arise from undirected proxies held unless the proxy expressly authorises the Chair to do so.

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### 3. RESOLUTION 2 – ELECTION OF MR DARREN GORDON AS A DIRECTOR

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

*"That, Mr Darren Gordon, a director of the Company who was appointed on 23 March 2016, and in accordance with the Constitution and for all other purposes, be elected as a Director".*

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### 4. RESOLUTION 3 – RE-ELECTION OF MR RICHARD HILL AS A DIRECTOR

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

*"That, Mr Richard Hill, a director of the Company who retires in accordance with the Constitution and Listing Rule 14.4, and being eligible, offers himself for re-election, be re-elected as a Director".*

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### 5. RESOLUTION 4 – RATIFICATION OF SHARE ISSUE TO TECK

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

*"That, for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the issue of 9,090,909 fully paid ordinary shares ("Teck Shares") in the capital of the Company, on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting."*

**Voting exclusion statement:** The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as proxy appointed in writing for a person who is entitled to vote, in accordance with voting directions which are specified on the proxy form.

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### 6. RESOLUTION 5 – RATIFICATION OF TRANCHE 1 PLACEMENT SHARES

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

*"That, for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the issue of 13,531,003 fully paid ordinary shares ("Tranche 1 Shares") in the capital of the Company, on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting."*

**Voting exclusion statement:** The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as proxy appointed in writing for a person who is entitled to vote, in accordance with voting directions which are specified on the proxy form.

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### 7. RESOLUTION 6 – RATIFICATION OF TRANCHE 2 PLACEMENT SHARES

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

*"That, for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the issue of 55,868,997 fully paid ordinary shares ("Tranche 2 Shares") in the capital of the Company, on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting."*

**Voting exclusion statement:** The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as proxy appointed in writing for a person who is entitled to vote, in accordance with voting directions which are specified on the proxy form.

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### 8. RESOLUTION 7 – APPROVAL OF 10% PLACEMENT FACILITY

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

*"That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a person (and any associates of such a person) who may participate in the 10% Placement Facility and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares, if this Resolution is passed.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with 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.
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**DATED: 21 OCTOBER 2016**

**BY ORDER OF THE BOARD**

  
GEOFF JAMES

COMPANY SECRETARY

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## EXPLANATORY STATEMENT

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This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the Annual General Meeting to be held at 10.00am (WST) on 30 November 2016 at the Conference Room, London House, Ground Floor, 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.

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### 1. ANNUAL REPORT

Section 317 of the Corporations Act requires the reports of the Directors and of the auditors and the Annual Report, including the financial statements to be put before the Annual General Meeting and the Constitution provides for those reports and statements to be received and considered at the Annual General Meeting. Neither the Corporations Act nor the Constitution requires a vote of Shareholders at the Annual General Meeting on the reports or statements. However, Shareholders will be given the opportunity to raise questions on the reports and the statements at the Annual General Meeting.

The Company's 2016 Annual Report is available at [www.genesisminerals.com.au](http://www.genesisminerals.com.au). Those Shareholders that elected to receive a printed copy of the Annual Report will have received a copy with this Notice of Annual General Meeting.

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### 2. RESOLUTION 1 – ADOPTION OF THE REMUNERATION REPORT

The Remuneration Report is in the Directors' Report section of the Company's Annual Report.

By way of summary, the Remuneration Report:

- (a) explains the Company's remuneration policy and the process for determining the remuneration of its Directors and executive officers;
- (b) addresses the relationship between the Company's remuneration policy and the Company's performance; and
- (c) sets out remuneration details for each Director and each of the Company's executives named in the Remuneration Report for the financial year ended 30 June 2016.

Section 250R(2) of the Corporations Act requires companies to put a resolution to their members that the Remuneration Report be adopted. The vote on this resolution is advisory only and does not bind the Board or the Company. However, the Board will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at the meeting when reviewing the Company's remuneration policies.

The Chair will give Shareholders a reasonable opportunity to ask questions about or to make comments on the Remuneration Report.

Under the Corporations Act, if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive annual general meetings, Shareholders will be required to vote at the second of those annual general meetings on a resolution that a further meeting is held at which all of the Company's Directors (other than the Managing Director) must go up for re-election. Voting on this resolution will be determined by a poll at the meeting rather than a show of hands.

#### Undirected proxies

The Chair intends to exercise all undirected proxies in favour of Resolution 1. If the Chair is appointed as your proxy and you have not specified the way the Chair is to vote on Resolution 1, by signing and returning the Proxy Form, the Shareholder is considered to have provided the Chair with an express authorisation to vote the proxy in accordance with the Chair's intention.

Any undirected proxies held by any other Key Management Personnel or any of their Closely Related Parties will not be voted on this resolution.

The Remuneration Report identifies the Key Management Personnel for the financial year to 30 June 2016.

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### **3. RESOLUTION 2 – ELECTION OF MR DARREN GORDON AS A DIRECTOR**

Mr Darren Gordon was appointed as a Director by the Board on 23 March 2016. In accordance with the Company's Constitution, a Director appointed by the Board holds office until the next annual general meeting and is then eligible for election. Mr Gordon seeks election as a Director.

Mr Gordon is Chartered Accountant with more than 20 years' experience in the Australian and international resource sector, having held senior financial, corporate and executive roles with a number of ASX-listed exploration and mining companies. During his career he has been involved in the acquisition, financing, development and operation of both gold and iron ore projects in Australia and Brazil. Mr Gordon is currently Managing Director of Centaurus Metals Limited.

The Board (with the exception of Mr Gordon) recommends that Shareholders vote in favour of Resolution 2.

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### **4. RESOLUTION 3 – RE-ELECTION OF MR RICHARD HILL AS A DIRECTOR**

Listing Rule 14.4 and the Company's Constitution provide that a re-election of Directors must be held at each annual general meeting. The Directors to retire are to be those who have been in office for 3 years since their appointment or last re-appointment or who have been longest in office since their appointment or last re-appointment or, if the Directors have been in office for an equal length of time, by agreement. Mr Hill, Chairman of the Company, retires from office in accordance with these requirements and, being eligible, offers himself for re-election by Shareholders as a Director, with effect from the end of the Annual General Meeting.

Mr Hill is a qualified solicitor and geologist with over 20 years' experience in the resources industry. During this period Mr Hill has performed roles as legal counsel, geologist and commercial manager for several Australian mining companies and more recently as founding director for a series of successful ASX-listed companies and Westoria Capital, a corporate advisory and investment group. He has gained a diversity of practical geological experience as a mine based and exploration geologist in a range of commodities and rock types. In his commercial and legal roles, he has been involved in project generation and evaluation, acquisition and joint venture negotiation, mining law and land access issues as well as local and overseas marketing and fund raising. He is currently an Executive Director of Strandline Resources Limited.

The Board (with the exception of Mr Hill) recommends that Shareholders vote in favour of Resolution 3.

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### **5. RESOLUTION 4 – RATIFICATION OF SHARE ISSUE TO TECK**

#### **5.1 General**

On 28 June 2016, the Company issued 9,090,909 Shares to Teck Resources Limited (Teck Shares) pursuant to termination of the agreement to earn into the Alliance Projects in Argentina. The deemed issue price was \$0.022 per Share, valuing the Shares issued at \$200,000. The Shares were issued under Listing Rule 7.1.

Resolution 4 seeks Shareholder ratification of the issue of the Teck Shares.

#### **5.2 ASX Listing Rule 7.1**

Subject to certain exceptions, Listing Rule 7.1 prevents a company from issuing or agreeing to issue new 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.

### **5.3 ASX Listing Rule 7.4**

Listing Rule 7.4 permits the ratification of previous issues of securities made without prior shareholder approval under Listing Rule 7.1 provided the issue did not breach Listing Rule 7.1. The effect of such ratification is to restore a company's maximum discretionary power to issue further securities up to the limit imposed by Listing Rule 7.1. The Company confirms the issue of the Teck Shares the subject of Resolution 4 did not breach Listing Rule 7.1.

The Company wishes to ratify the issue of the Teck Shares the subject of Resolution 4 pursuant to Listing Rule 7.4, in order to allow the Company to have the right to place up to a further 15% of its issued capital under Listing Rule 7.1.

The following information is provided to Shareholders for the purposes of Listing Rule 7.5:

- (a) on 28 June 2016 the Company issued a total of 9,090,909 fully paid ordinary shares;
- (b) the Teck Shares were issued at a deemed price of \$0.022 each;
- (c) the Teck Shares are fully paid ordinary shares that rank equally in all respects with the Company's existing Shares;
- (d) the Teck Shares were issued to Teck Resources Limited;
- (e) the Teck Shares were issued pursuant to termination of the agreement to earn into the Alliance Projects in Argentina; and
- (f) A voting exclusion statement has been included in the Notice for the purposes of Resolution 4.

The Directors believe Resolution 4 is in the best interests of the Company and its Shareholders and unanimously recommend Shareholders vote in favour of this Resolution.

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## **6. RESOLUTIONS 5 AND 6 – RATIFICATION OF TRANCHE 1 AND TRANCHE 2 PLACEMENT SHARES**

### **6.1 General**

On 9 August 2016, the Company announced a share placement to sophisticated and professional investors of up to 69.4 million Shares at an issue price of \$0.025 each to raise \$1,735,000 (before issue costs).

The shares for the Placement were issued under the ASX Listing Rules as follows:

- 13,531,003 shares were issued under Listing Rule 7.1 (Tranche 1 Shares) and are the subject of Resolution 5; and
- 55,868,997 shares were issued under Listing Rule 7.1A (Tranche 2 Shares) and are the subject of Resolution 6.

Resolutions 5 and 6 seek Shareholder ratification of the issue of the Tranche 1 and Tranche 2 Shares.

### **6.2 ASX Listing Rules 7.1 and 7.1A**

Subject to certain exceptions, Listing Rule 7.1 prevents a company from issuing or agreeing to issue new 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 the 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.

### **6.3 ASX Listing Rule 7.4**

Listing Rule 7.4 permits the ratification of previous issues of securities made without prior shareholder approval under Listing Rules 7.1 and 7.1A provided the issue did not breach Listing Rules 7.1 and 7.1A. The effect of such ratification is to restore a company's maximum discretionary power to issue further securities



up to the limit imposed by Listing Rules 7.1 and 7.1A. The Company confirms the issue of the Tranche 1 and Tranche 2 Shares the subject of Resolutions 5 and 6 did not breach Listing Rules 7.1 or 7.1A.

The Company wishes to ratify the issue of the Tranche 1 and Tranche 2 Shares the subject of Resolutions 5 and 6 pursuant to Listing Rule 7.4, in order to allow the Company to have the right to place up to a further 15% of its issued capital under Listing Rule 7.1 and the right to place up to a further 10% of its issued capital under Listing Rule 7.1A.

The following information is provided to Shareholders for the purposes of Listing Rule 7.5:

- (a) on 15 August 2016 the Company issued a total of 69,400,000 fully paid ordinary shares consisting of 13,531,003 Tranche 1 Shares and 55,868,997 Tranche 2 Shares;
- (b) the Tranche 1 and Tranche 2 Shares were issued for \$0.025 each, raising a total of \$1,735,000 (before costs);
- (c) the Tranche 1 and Tranche 2 Shares are fully paid ordinary shares that rank equally in all respects with the Company's existing Shares;
- (d) the Tranche 1 and Tranche 2 Shares were issued to sophisticated and professional investors;
- (e) the Tranche 1 and Tranche 2 Shares were issued to fund the working capital requirements to commence mining at the Ulysses West open pit and to fund continued exploration of the Ulysses and Viking Projects (refer to the ASX announcement by the Company on 9 August 2016); and
- (f) A voting exclusion statement has been included in the Notice for the purposes of Resolutions 5 and 6.

The Directors believe Resolutions 5 and 6 are in the best interests of the Company and its Shareholders and unanimously recommend Shareholders vote in favour of this Resolution.

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## **7. RESOLUTION 7 – APPROVAL OF 10% PLACEMENT FACILITY**

### **7.1 General**

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the annual general meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

The Company previously received Shareholder approval for the 10% Placement Facility at the previous annual general meeting held on 30 November 2015 and this approval will expire on 30 November 2015 (or earlier if Shareholders approve a transaction under Listing Rule 11.1.2 or Listing Rule 11.2).

The Company is now seeking Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility.

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 7.2(c) below).

The Directors believe that Resolution 7 is in the best interests of the Company because of the flexibility it provides the Company to issue further securities representing up to 10% of the Company's Share capital during the next 12 months. The Directors unanimously recommend that Shareholders vote in favour of this Resolution.

### **7.2 Description of Listing Rule 7.1A**

#### **(a) Shareholder approval**

The ability to issue Equity Securities under the 10% Placement Facility is subject to Shareholder approval by way of a special resolution at an annual general meeting.

**(b) Equity Securities**

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company. The Company, as at the date of the Notice, has on issue one class of Equity Securities, namely quoted Shares.

**(c) Formula for calculating 10% Placement Facility**

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

**A** is the number of fully paid shares on issue 12 months before the date of issue or agreement:

- (a) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
- (b) plus the number of partly paid shares that became fully paid in the 12 months;
- (c) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rules 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;
- (d) less the number of fully paid shares cancelled in the 12 months.

*Note that A has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.*

**D** is 10%

**E** is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

**(d) Listing Rule 7.1 and Listing Rule 7.1A**

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

At the date of this Notice, the Company has on issue 637,180,876 Shares. If Resolution 7 is passed, the Company will be permitted to issue (as at the date of this Notice):

- (i) Equity Securities under Listing Rule 7.1; and
- (ii) Equity Securities under Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 7.2(c) above).

**(e) Minimum Issue Price**

The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 trading days immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 trading days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

**(f) 10% Placement Period**

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (a) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or

- (b) the date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking), or such longer period if allowed by ASX (10% Placement Period).

### **7.3 Listing Rule 7.1A**

The effect of Resolution 7 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 7 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

### **7.4 Specific information required by Listing Rule 7.3A**

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

#### **(a) Minimum Issue Price**

The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 trading days immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 trading days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

#### **(b) Risk of economic and voting dilution**

If Resolution 7 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table (in the case of Options, only if the Options are exercised). There is a risk that:

- (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Annual General Meeting; and
- (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The below table shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of this Notice of Meeting.

The table also shows:

- (i) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of Shares the Company has on issue. The number of Shares on issue may increase as a result of issues of Shares that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (ii) two examples of where the issue price of Shares has decreased by 50% and increased by 50% as against the current market price.

| Variable 'A' in Listing Rule 7.1A.2                                |                            | Dilution                                  |   |   |
|--|----------------------------|---|---|---|
|  |                            | \$0.014<br>50% decrease in<br>Issue Price | \$0.028<br>Current Market/<br>Issue Price | \$0.042<br>50% increase in<br>Issue Price |
| <b>Current Variable A</b><br>637,180,876 Shares                    | <b>10% Voting Dilution</b> | 63,718,088 shares                         | 63,718,088 shares                         | 63,718,088 shares                         |
|  | <b>Funds raised</b>        | \$892,053                                 | \$1,784,106                               | \$2,676,160                               |
| <b>50% increase in current Variable A</b><br>955,771,314 Shares    | <b>10% Voting Dilution</b> | 95,577,131 shares                         | 95,577,131 shares                         | 95,577,131 shares                         |
|  | <b>Funds raised</b>        | \$1,338,080                               | \$2,676,160                               | \$4,014,240                               |
| <b>100% increase in current Variable A</b><br>1,274,361,751 Shares | <b>10% Voting Dilution</b> | 127,436,175 shares                        | 127,436,175 shares                        | 127,436,175 shares                        |
|  | <b>Funds raised</b>        | \$1,784,106                               | \$3,568,213                               | \$5,352,319                               |

**The table has been prepared on the following assumptions:**

- (i) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
- (ii) No Options (including any Options issued under the 10% Placement Facility) are exercised into Shares before the date of the issue of the Equity Securities.
- (iii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- (iv) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Annual General Meeting.
- (v) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- (vi) The issue of Equity Securities under the 10% Placement Facility consists only of Shares.
- (vii) The current market price is \$0.028, being the closing price of the Shares on ASX on 21 October 2016.

**(c) Period within which the 10% Placement Facility can be implemented**

The Company will only issue the Equity Securities during the 10% Placement Period. The approval under Resolution 7 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).

**(d) Purpose for which the 10% Placement Facility may be implemented**

The Company may seek to issue the Equity Securities for the following purposes:

- (i) non-cash consideration for the acquisition of new assets, (including the expenses associated with such acquisition), continued exploration, feasibility study and project development expenditure on the Company's current assets and/or for general working capital. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or
- (ii) cash consideration to raise funds for the acquisition of new assets, (including the expenses associated with such acquisition), continued exploration, feasibility study and project development expenditure on the Company's current assets and/or for general working capital.

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

**(e) Allocation policy when the 10% Placement Facility may be implemented**

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issues or other issues in which existing security holders can participate;
- (ii) the effect of the issue of the Equity Securities on the control of the Company;
- (iii) the financial situation and solvency of the Company; and
- (iv) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company. Further, if the Company is successful in acquiring new resources assets or investments, it is likely that the allottees under the 10% Placement Facility will be the vendors of the new resources assets or investments.

**(f) Details of Equity Securities Issued During Past 12 Months**

During the past 12 months prior to the date of the Annual General Meeting, and assuming no further issue of securities between the date of this Notice of Meeting and the date of the Annual General Meeting, the Company issued 214,142,964 Equity Securities representing 45% of the total number of Equity Securities on issue 12 months ago, being 30 November 2015. The following table sets out the details of the Equity Securities issued:

| Issue Date   | Number of Equity Securities Issued | Class of Equity Securities Issued | Names of Persons to Whom Issued Equity Securities | Issue Price | Closing Market Price at Issue Date | Discount to Closing Market Price on Issue Date | Cash Consideration |
|--------------|------------------------------------|-----------------------------------|---|-------------|------------------------------------|--|--------------------|
| 18/12/2015   | 17,914,062                         | Ordinary Shares                   | Note (i)  | \$0.016     | \$0.021                            | 23.8%  | \$286,625          |
| 22/12/2015   | 6,000,000                          | Options                           | Note (ii)   | Nil         | N/A                                | N/A  | nil                |
| 08/03/2016   | 111,023,707                        | Ordinary Shares                   | Note (iii)  | \$0.014     | \$0.018                            | 22.2%  | \$1,554,331        |
| 08/03/2016   | 714,286                            | Ordinary Shares                   | Note (iv)   | \$0.014     | \$0.018                            | 22.2%  | Note (iv)          |
| 28/06/2016   | 9,090,909                          | Ordinary Shares                   | Note (v)  | \$0.022     | \$0.019                            | Premium  | Note (v)           |
| 15/08/2016   | 69,400,000                         | Ordinary Shares                   | Note (vi)   | \$0.025     | \$0.028                            | 10.7%  | \$1,735,000        |
| <b>TOTAL</b> | <b>214,142,964</b>                 |                                   |   |             |                                    |  |                    |

Note:

- (i) Exercise of unlisted options at \$0.016 per share. The cash raised was used to fund the advancement of the Ulysses Project.
- (ii) Issue of unlisted options to Directors, as approved by Shareholders at the annual general meeting held on 30 November 2015.
- (iii) Placement to sophisticated and professional investors, as ratified and approved by Shareholders at the General Meeting held on 27 June 2016. The cash raised was used to fund the advancement of the Ulysses Project as set out in the ASX announcement on 2 March 2016.
- (iv) Issue of Shares to one of the vendors of Ulysses Mining Pty Ltd according to the terms of the Share Sale Agreement to acquire 100% of the issued Share capital of Ulysses Mining Pty Ltd, the holder of the Ulysses Project as set out in the ASX announcement of 9 June 2015. The deemed issue price was \$0.014 per Share, valuing the Shares issued at \$10,000. The current value of the non-cash consideration, as at the date of this Notice, based on a current market price of \$0.028 per Share, is \$20,000.
- (v) Issue of Shares to Teck Resources Limited pursuant to termination of agreement to earn into the Alliance Projects in Argentina. The deemed issue price was \$0.022 per Share, valuing the Shares issued at \$200,000. The current value of the non-cash consideration, as at the date of this Notice, based on a current market price of \$0.028 per Share, is \$254,545. Shareholder ratification for the issue of these Equity Securities is sought under Resolution 4 in this Notice.

- (vi) Placement to sophisticated and professional investors. The cash raised will be used to fund the working capital requirements to commence mining at the Ulysses West open pit and to fund continued exploration of the Ulysses and Viking Projects as set out in the ASX announcement of 9 August 2016. Shareholder ratification for the issue of these Equity Securities is sought under Resolutions 5 and 6 in this Notice.

**(g) Voting Exclusions**

A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities utilising this 10% Placement Facility following the 2016 Annual General Meeting. No existing Shareholder's votes will therefore be excluded under the voting.

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## GLOSSARY

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\$ means Australian dollars.

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

**ASX** means ASX Limited.

**Board** means the current board of Directors of the Company.

**Chair** means the chair of the Annual General Meeting.

**Closely Related Party** of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001* (Cth).

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

**Constitution** means the Company's Constitution.

**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.

**Key Management Personnel** has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

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

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

**Related Party** is defined in section 228 of the Corporations Act.

**Remuneration Report** means the remuneration report in the Directors' Report section of the Company's Annual Report.

**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.

**VWAP** means the volume weighted average trading price of the Shares on ASX.

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

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

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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 Annual 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 Annual 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 Annual General Meeting of the Company to be held at 10.00am (WST), on 30 November 2016 at the Conference Room, London House, Ground Floor, 216 St Georges Terrace, Perth, Western Australia, and at any adjournment thereof.

**Important for Resolution 1:**

**The Chair of the Meeting intends to vote all available proxies in favour of Resolution 1. If the Chair of the Meeting is your proxy or is appointed your proxy by default, unless you indicate otherwise by ticking either the 'for', 'against' or 'abstain' box in relation to Resolution 1, you will be authorising the Chair to vote in accordance with the Chair's voting intentions on Resolution 1 even if the Chair has an interest in Resolution 1 which is connected directly with the remuneration of Key Management Personnel.**

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.**

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**Voting on Business of the General Meeting**

|   | FOR                      | AGAINST                  | ABSTAIN                  |
|---|--------------------------|--------------------------|--------------------------|
| Resolution 1 – Adoption of the Remuneration Report          | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 2 – Election of Mr Darren Gordon as a Director   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 3 – Re-Election of Mr Richard Hill as a Director | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 4 – Ratification of Share Issue to Teck          | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 5 – Ratification of Tranche 1 Placement Shares   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 6 – Ratification of Tranche 2 Placement Shares   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 7 – Approval of 10% Placement Facility           | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

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 \_\_\_\_\_ %

**SIGNATURE OF SECURITYHOLDERS**

**Individual or Securityholder 1**

**Sole Director and Sole Company Secretary**

**Securityholder 2**

**Director**

**Securityholder 3**

**Director/Company Secretary**

**Contact Name** \_\_\_\_\_

**Contact Telephone** \_\_\_\_\_

**Date** \_\_\_\_/\_\_\_\_/\_\_\_\_



1. A member entitled to attend and vote at an Annual 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 Resolution 1 (Remuneration Report), that person will not cast any votes on Resolution 1.

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 Annual General Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the Annual 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 Annual 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](mailto:admin@genesisminerals.com.au)

so that it is received not later than 10am (WST) on 28 November 2016.

**Proxy forms received later than this time will be invalid.**

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