

## SUMMARY

- **Extensive soil sampling program at Trainor Project testing high priority target zone returned highly encouraging copper, nickel and zinc values. Strike extensive anomalies defined. Infill sampling to commence in April 2008.**
- **Project identification and evaluation is ongoing with a number of advanced projects identified and under consideration for acquisition or joint venture.**
- **Overseas adviser appointed to actively source grass roots and developed mining opportunities in South America.**

## EXPLORATION ACTIVITIES

### TRAINOR PROJECT (GMD FARM-IN)

The Trainor Joint Venture Project comprises four granted tenements covering 759km<sup>2</sup> and is located about 400km north east of Wiluna in the central part of Western Australia. The area has largely been bypassed by modern exploration. Genesis has the right to earn a 70% interest in the tenements through expenditure of \$2.5 million within 4 years of commencement of the farm-in agreement. The Project covers part of the under explored Proterozoic Oldham Inlier a basement high within the north-western Officer Basin.

Highly encouraging results were returned from a wide spaced lag soil geochemistry program completed in late October 2007. Peak values of 402ppm Cu, 422ppm Zn and 451ppm Ni were returned. Copper anomalism has been reported over 6km of strike in a NW orientation and is coincident with evaluated nickel and zinc values. The anomalous copper and nickel trends are spatially associated with mafic intrusions and sills. This sampling was completed at 100m spacings along 1km spaced north - south orientated lines covering the west north west trending Oldham Range (E69/1930). The sampling also covered the interpreted trend of a gossan located by Dominion Mining Limited in 2004.

**GENESIS MINERALS LIMITED**  
ABN: 72 124 772 041

Level 3, 10 Outram St  
West Perth, WA, Australia, 6005

PO BOX 437, West Perth  
WA, Australia, 6872

T: +618 9322 6178

F: +618 9481 2335

E : [info@genesisminerals.com.au](mailto:info@genesisminerals.com.au)

W : [www.genesisminerals.com.au](http://www.genesisminerals.com.au)

#### Registered Office

46 Ord St  
West Perth WA 6005

#### Issued Capital

23.0 million shares

9.25 million options

**ASX Code: GMD**

#### Board Members

Michael Haynes  
Chairman

Michael Fowler  
Managing Director/CEO

Graeme Smith  
Non Executive Director  
Company Secretary

A detailed sampling program (400m x 50m) was completed over the barite-hematite vein systems on E69/1699. A peak value of 12ppb Au was returned.

Wide spaced sampling was completed on E69/2058 to followup anomalous PGE and base metals anomalism previously reported by Dominion.

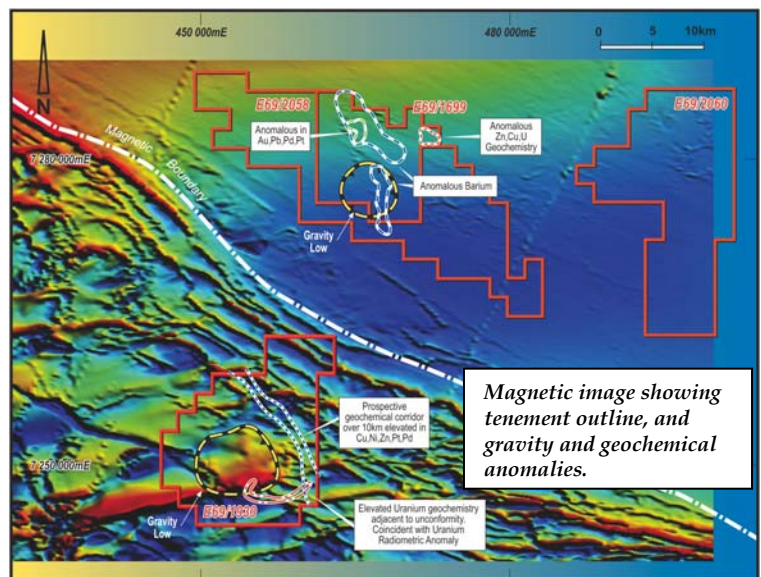
A wide spaced geochemical sampling program was planned to be completed over the northern half of E69/2060. This program was to cover sub cropping Quadrio Formation sedimentary units as well as an interpreted gravity low and a circular feature that is weakly magnetic. Difficult access prevented this sampling from being completed.

An extensive program of infill sampling covering the anomalous base-metal trends is planned for April at the commencement of the 2008 field season.

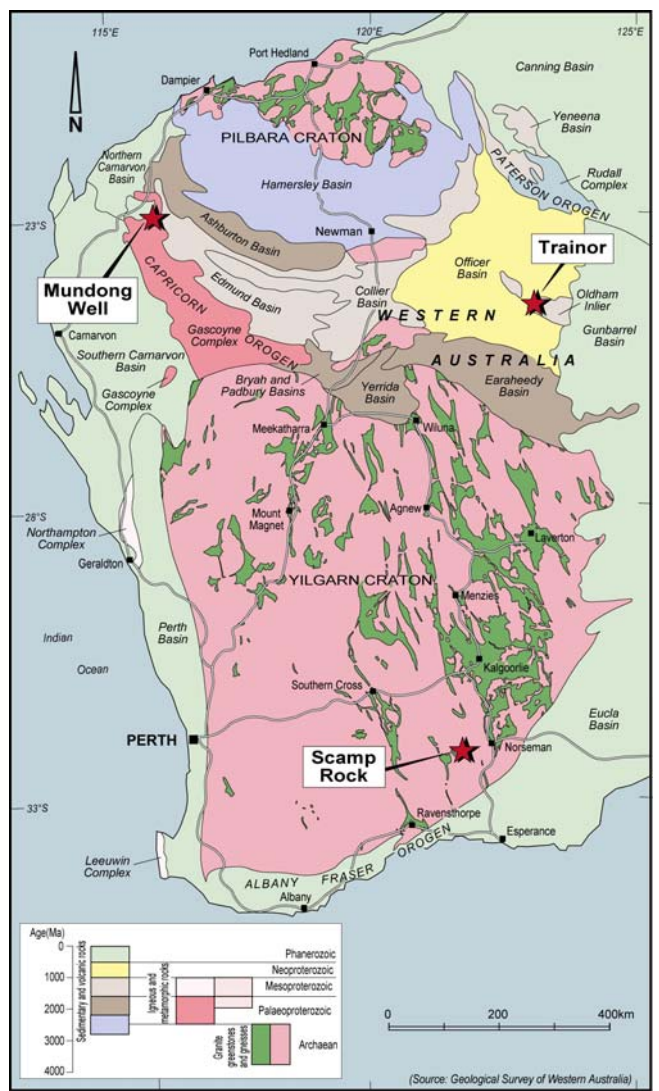
**MUNDONG WELL (100%)**

The Mundong Well Project comprises two Exploration Licence applications (88km<sup>2</sup>) situated 200km southeast of Exmouth, in the Ashburton Region of Western Australia. The Project is located in the northern half of the Gascoyne Complex and is prospective for hydrothermal uranium mineralisation associated with a north west trending structural corridor and coincident uranium channel radiometric anomaly. The tenements cover approximately 8km of strike of the prospective zone. Potential also exists for structurally controlled lead- copper mineralisation.

Native title negotiations were ongoing during the quarter.



Magnetic image showing tenement outline, and gravity and geochemical anomalies.



## **CORPORATE**

Overseas opportunities were further evaluated during the quarter. Evaluations are continuing on projects that fit Genesis' corporate objective both in Australia and Overseas.

Genesis has appointed an overseas adviser to actively source grass roots and developed mining opportunities in South America.

Contract Exploration Manager appointed to assist in exploration planning and execution.

Exploration expenditure during the quarter of \$175,000 (YTD \$251,000).

As at the 31 December 2007, Genesis had A\$2.6 million on hand.

## **ABOUT GENESIS MINERALS**

Genesis Minerals Limited successfully listed on the ASX on the 2<sup>nd</sup> August 2007 raising \$3.0 million.

Genesis Minerals Limited is an Australian-based mineral exploration company whose primary objective is to discover and/or acquire commercially significant mineral deposits that can be readily brought into production.

The Company is seeking to achieve its objective through:

- Exploration and evaluation of its three projects in Western Australia comprising the Trainor, Scamp Rock and Mundong Well Projects; and
- Identification and evaluation of new mineral projects and opportunities in Australia and Overseas suitable for acquisition and development by the Company.



**Michael Fowler**  
**Managing Director**

### **Further Information**

Contact - Michael Fowler

+618 9322 6178 or mfowler@genesisminerals.com.au

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

# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

**Genesis Minerals Limited**

ABN

72 124 772 041

Quarter ended ("current quarter")

31 December 2007

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration and evaluation (b) development (c) production (d) administration	(175) - - (85)	(251) - - (157)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	16	34
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
<b>Net Operating Cash Flows</b>	<b>(244)</b>	<b>(374)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	- - -	- - (2)
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets	- - -	- - -
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
<b>Net investing cash flows</b>	<b>-</b>	<b>(2)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(244)</b>	<b>(376)</b>

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(244)	(376)
<b>Cash flows related to financing activities</b>			
1.14	Proceeds/(over subscription) from issues of shares, options, etc.	-	3,000
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material) Share issue transaction costs	(11)	(270)
	<b>Net financing cash flows</b>	(11)	2,730
	<b>Net increase (decrease) in cash held</b>	(255)	2,354
1.20	Cash at beginning of quarter/year to date	2,830	221
1.21	Exchange rate adjustments to item 1.20		
1.22	<b>Cash at end of quarter</b>	2,575	2,575

**Payments to directors of the entity and associates of the directors**  
**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	61
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Item 1.23 includes aggregate amounts paid to directors including salary, directors' fees, consulting fees and superannuation.

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows.

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2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest.

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+ See chapter 19 for defined terms.

### Financing facilities available

*Add notes as necessary for an understanding of the position.*

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	NIL	NIL
3.2 Credit standby arrangements	NIL	NIL

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	200
4.2 Development	-
<b>Total</b>	<b>200</b>

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	575	2,830
5.2 Deposits at call	2,000	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>2,575</b>	<b>2,830</b>

### Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1		Interests in mining tenements relinquished, reduced or lapsed		
6.2		Interests in mining tenements acquired or increased		

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

**Issued and quoted securities at end of current quarter**

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference securities</b> <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>*Ordinary securities</b>	23,000,010	16,188,760		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 <b>*Convertible debt securities</b> <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> <i>(description and conversion factor)</i>	9,250,000	-	Exercise price 20 cents	Expiry date 15 May 2012
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 <b>Debentures</b> <i>(totals only)</i>				
7.12 <b>Unsecured notes</b> <i>(totals only)</i>				

+ See chapter 19 for defined terms.

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:   
(Company secretary)

Date: 31 January 2008

Print name: **Graeme Smith**

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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