GENESIS MINERALS LIMITED

ABN 72 124 772 041

Half Year Financial Report
for the period ended
31 December 2022

GENESIS MINERALS LIMITED
ABN 72 124 772 041

HALF YEAR FINANCIAL REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2022

CORPORATE DIRECTORY

This half-year report covers Genesis Minerals Limited (Genesis or the Company) and its subsidiaries (the Group). The Group's functional and presentation currency is Australian dollars ($).
The Company was incorporated and registered under the Corporations Act 2001 in Western Australia on 16 April 2007, and is domiciled in Australia.

Directors

Anthony Kiernan	Non-Executive Chairman
Raleigh Finlayson	Managing Director
Gerry Kaczmarek	Non-Executive Director
Michael Bowen	Non-Executive Director
Mick Wilkes	Non-Executive Director

Registered Office
Level 19, 58 Mounts Bay Road
Perth WA 6000

Company Secretary
Geoff James

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Share Registry
Computershare Investor Services Pty Ltd
Level 11, 172 St Georges Terrace

Securities Exchange
Listed on the Australian Securities Exchange
ASX Code: GMD

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DIRECTORS' REPORT

The Directors present the half year financial report of Genesis Minerals Limited and its controlled subsidiaries for the period ended 31 December 2022.

This half-year financial report incorporates for the first time 100% of the results for Dacian Gold Limited as from the date of acquisition of control on 21 September 2022.

Directors

The names of the Company's directors in office during the half-year and until the date of this report are set out below. Directors were in office for this entire period unless otherwise stated.

Anthony Kiernan *(Non-Executive Chairman) - Appointed 1 October 2022*
Raleigh Finlayson *(Managing Director)*
Gerry Kaczmarek *(Non-Executive Director)*
Michael Bowen *(Non-Executive Director)*
Mick Wilkes *(Non-Executive Director) – Appointed 1 October 2022*

Tommy McKeith *(Non-Executive Chairman) – Resigned 30th September 2022*
Nev Power *(Non-Executive Director) – Resigned 30th September 2022*

Company Secretary

Geoff James

Business Development Strategy

Genesis Minerals Limited (**Genesis** or **GMD**) has outlined a strategy to build a premium Australian gold miner marked by sustainable, high-quality production of +300,000 ounces per annum. A re-invigorated Board and management team, outstanding exploration upside, and balance sheet strength ($121.1 million consolidated cash at 31 December 2022) ensures Genesis is well positioned to achieve this vision.

As part of this strategy, Genesis announced on 5 July 2022, its intention to acquire Dacian Gold Limited (ASX: DCN) (**Dacian** or **DCN)** by way of a unanimously recommended off-market takeover bid by Genesis for all of the fully paid ordinary shares in Dacian (**Dacian Shares**) (**Offer**).

On 21 September 2022, Genesis announced it had acquired a relevant interest in a majority of the voting shares in Dacian. Accordingly, with the Offer being unconditional, Genesis had acquired control of Dacian effective on 21 September 2022 with a relevant interest of 57.73%. Since obtaining control, Genesis progressively increased its interest in Dacian to hold a relevant interest of 77.16% as at 31 December 2022. The Offer for Dacian closed on 20 February 2023 with Genesis holding a relevant interest of 80.08%.

Dacian is an ASX listed Australian gold company focused on the Mt Morgans Gold Project located near Laverton, Western Australia. Mt Morgans comprises a portfolio of open pit and underground Mineral Resources, a 2.9Mtpa conventional carbon-in-leach processing plant, and highly prospective exploration tenure.

Open pit mining at Mt Morgans was suspended during the year ended 30 June 2022 and underground mining at Mt Morgans ceased in the September 2022 quarter.

In addition to the Dacian transaction, on 12 December 2022 it was announced that Genesis and St Barbara Limited (ASX: SBM) (**St Barbara** or **SBM**) had agreed to a merger to form Hoover House via a Genesis Scheme of Arrangement (**Scheme**) under which St Barbara will acquire 100% of the shares in Genesis. Refer to the Genesis / St Barbara ASX Announcement 12th December 2022 "Presentation - Creating a leading Australian gold house" for further details.

In conjunction with the Scheme, St Barbara has agreed to undertake a demerger of its Atlantic, Simberi and other non-Leonora assets (including St Barbara's shares in various ASX-listed entities) to St Barbara shareholders, to be held in a company known as Phoenician Metals Limited, which intends to apply to the official list of ASX (**Demerger**).

DIRECTORS' REPORT

In connection with the Scheme, Genesis announced that it will raise $275 million in new equity at $1.20 per Genesis share, being the closing share price of Genesis Shares on 9 December 2022 (**Placement**). The Placement will be undertaken via a conditional placement to institutional investors, subject to Genesis shareholders approving the issue of new Genesis shares under the Placement and both the Genesis Scheme and St Barbara Demerger becoming effective. Refer to the Genesis / St Barbara ASX Announcement 12th December 2022 "Presentation - Creating a leading Australian gold house" for further details of the Placement.

In the event the merger with St Barbara fails to complete*, St Barbara and Genesis are working together on an ore purchase agreement to potentially enable Ulysses or other Genesis ore to be processed at Leonora over a specified timeframe.

**Completion of the Scheme is subject to a number of conditions precedent and will otherwise be inter-conditional with the completion of St Barbara's Demerger and completion of the Placement. There can be no certainty, nor can Genesis or St Barbara provide any assurance, that the conditions to the Scheme will be satisfied or waived (where applicable), or if satisfied or waived (where applicable), when that will occur.*

In addition, there are a number of other conditions precedent to the Scheme which are outside the control of Genesis and St Barbara, including, but not limited to, approval of the Scheme and the issue of Genesis shares under the Placement by the requisite majority of Genesis shareholders, approval of the Demerger and the issue of St Barbara shares under the Scheme by the requisite majority of St Barbara shareholders, approval of the Scheme by the Court and St Barbara receiving all necessary consents and approvals required from lenders for the Scheme and the Demerger.

***Refer to the Scheme Implementation Deed for a complete list of conditions precedent** (Appendix A - Genesis / St Barbara ASX Announcement 12th December 2022 "Merger of St Barbara and Genesis to form Hoover House").*

Operating and Financial Review

The principal activities of the Group during the period were gold mining and processing at Mt Morgans, exploration of its 100% owned tenement packages at Laverton and Leonora and pre-development activities at the Ulysses Gold Project.

This half-year financial report incorporates for the first time 100% of the results for Dacian as from the date of acquisition of control on 21 September 2022.

The consolidated net loss after tax for the half-year was $37.0 million (2021: Net loss $33.0 million).

A summary of the operating result for the Group is set out below.

Key Financial Result	HY Dec. 2022 $'000	HY Dec. 2021 $'000	Change $'000	Change %
Sales revenue[1]	43,878	-	43,878	-
Cost of sales (excluding D&A)[1,2]	(31,898)	-	(31,898)	-
Exploration and growth	(16,948)	(7,111)	(9,837)	138
Corporate, admin and other costs	(23,008)	(25,921)	(2,913)	(11)
EBITDA[2]	(27,976)	(33,032)	5,056	(15)
Depreciation and amortisation (D&A)	(9,016)	-	(9,016)	-
Net interest expense	(25)	(3)	(22)	733
Profit/(Loss) before tax	(37,017)	(33,035)	(3,982)	12
Income tax expense	-	-	-	-
Reported loss after tax	(37,017)	(33,035)	(3,982)	12
Cashflow from operating activities	(13,717)	(8,117)	(5,600)	69
Cashflow used in investing activities	20,169	(931)	21,100	(2,266)
Cashflow from financing activities	98,620	21,865	76,755	351

[1] Sales revenue and Cost of sales are reported for the first time for the inclusion of Dacian Gold Limited as from 21 September 2022.

[2] EBITDA is a measure of earnings before interest, losses on derivative financial instruments, taxes, depreciation and amortisation. Cost of sales (excluding D&A) and EBITDA are non-IFRS financial information and are not subject to audit. These measures are included to assist investors to better understand the performance of the business.

DIRECTORS' REPORT

Mt Morgans Gold Operation

For the period from 21 September 2022 to 31 December 2022 the Mt Morgans Gold Operation produced 13,362 ounces of gold at an All in Sustaining Cost (AISC) of $1,891 per ounce (31 December 2021: nil).

Gold sales revenue of $43.8 million (2021: nil) was generated from the sale of 16,558 ounces at an average gold price of $2,644/oz (2021: nil) with delivery of in the money hedging held at 30 June 2022 contributing a hedging gain of $0.8 million. Total cost of goods sold inclusive of amortisation and depreciation was $40.7 million (2021: $nil).

Ore feed to the processing plant was sourced from run of mine stockpiles and low-grade stockpiles.

The following table summarises the production results for the period from 21 September 2022 to 31 December 2022.

		HY Dec-22	HY Dec-21
Processing			
Ore Milled	kt	**805**	-
Head Grade	g/t	**0.60**	-
Recovery	%	**87.2**	-
Gold produced	oz	**13,362**	-
Gold Sold	oz	**16,558**	-

Discovery & Growth

Leonora Gold Project

In parallel with the business development strategy, Genesis continued to advance its 100% owned Leonora Gold Project in Western Australia.

The focus at the flagship Ulysses mine during the half-year was on "future-proofing" via pre-development activities including surface infill / grade control drilling, dewatering and infrastructure works.

Grade control drilling was completed below the Ulysses and Ulysses West Pits to de-risk approximately the first 2 years of mine life. The results of the ongoing drilling continues to confirm a strategic asset in the Leonora District.

Development activities are set to commence at Ulysses in the March quarter 2023.

Outside of Ulysses, Genesis reported encouraging drilling results at several of the key deposits including at the Admiral Group and Puzzle North. Refer to the ASX announcements dated 11th October 2022 "September Quarterly Report and Drilling Update" and 30th January 2023 "December Quarterly Report and Drilling Update" for full details of the exploration results. These results continue to indicate there is excellent potential for further discovery and Resource growth across the project area.

Jupiter Mining Complex

Dacian's main exploration focus was completing the extension drilling program at the Jupiter mining complex, which continued to intersect significant mineralisation within the syenite intrusive.

Mineral resource definition and exploration results from this program continue to build confidence in the continuity and extent of mineralisation beyond the previously designed Ganymede, Heffernans, Doublejay and Saddle open pits, and in the defined Jupiter Exploration Target, which was announced to the ASX on 22 July 2022. The extension drilling program was designed to evaluate the Jupiter Exploration Target across the full strike extent of the Jupiter syenite system, to a depth of ~400 m below surface. The program underpins the strategy to investigate a larger, bulk open pit mining opportunity under a leaner operating model.

Refer to the ASX announcements dated 10 October 2022 "Strong Exploration Results Continue at Jupiter", 27 October 2022 "Quarterly Activities Report - September" and 20 December 2022 "Operations and Exploration Update" for exploration results received during the half-year.

Diamond drilling of the Jupiter extension program was completed in December 2022 with results expected in the March quarter 2023. Geological interpretation has commenced to inform an update to the Mineral Resource estimate, with the aim of targeting a larger scale development plan to complement a restart of open pit mining at Mt Morgans. The Jupiter Mineral Resource update is scheduled for March 2023.

DIRECTORS' REPORT

Mining Services

During the period, Genesis established a fully owned subsidiary, Genesis Mining Services (**GMS**). GMS will be the vehicle to execute Genesis' owner-operator model.

GMS has placed initial orders for the delivery of a new open pit fleet to commence the development of Genesis open pit opportunities within its Leonora Gold Project. Key management positions have been filled with the recruitment of the remaining senior management positions well advanced.

GMS is also in preliminary discussions with Dacian in relation to the potential future re-start of Dacian's Jupiter open pit alongside the Mt Morgans mill and other open pit opportunities in the Dacian portfolio.

Corporate

Total cash at 31 December 2022 was $121.2 million (30 June 2022: $16.1 million). The Groups working capital position has improved to $109.1 million (30 June 2022: $12.9 million).

During the period Genesis completed a placement of 82.9 million shares at $1.205 per share raising $100 million before costs.

The debt arrangements for Dacian were reviewed with the final $200,000 debt repayment rescheduled to 30 June 2023. Debt covenants were reduced and a hedging line extended.

At 31 December 2022 Dacian had no gold hedging commitments.

Dacian anticipates completing the transition to explorer/developer in calendar 2023 - refer to Dacian's ASX announcement dated 30 January 2023.

Significant Changes in the State of Affairs

Refer to the Business Development Strategy section of the Directors' Report for details of the takeover transaction with Dacian and the agreed merger proposal with St Barbara and associated capital raising to raise $275 million.

Dacian is an ASX listed Australian gold company focused on the Mt Morgans Gold Project located near Laverton, Western Australia. Mt Morgans comprises a portfolio of open pit and underground Mineral Resources, a 2.9Mtpa conventional carbon-in-leach processing plant, and highly prospective exploration tenure. Open pit mining at Mt Morgans was suspended during the year ended 30 June 2022 and underground mining at Mt Morgans ceased in the September 2022 quarter.

This half-year financial report incorporates for the first time 100% of the results for Dacian as from the date of acquisition of control on 21 September 2022.

During the half year Genesis completed a capital raising via a placement of 82.9 million shares at $1.205 per share raising $100 million before costs.

Events Subsequent to the Reporting Date

On 30 January 2023, Dacian announced its decision to transition to explorer/developer and place the Mt Morgans processing plant on care and maintenance towards the end of the March 2023 quarter.

The Offer for Dacian closed on 20 February 2023 with Genesis holding a relevant interest of 80.08%.

Other than the above there has not arisen in the interval between the end of the reporting period and the date of this report, any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect substantially the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

Rounding off

The Company is of a kind referred to in ASIC Instrument 2016/191 dated 24 March 2016 and in accordance with that instrument, amounts in the Financial Statements and Directors' Report have been rounded to the nearest thousand dollars, unless otherwise stated.

DIRECTORS' REPORT

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under Section 307C of the Corporations Act is set out on the following page.

This report is made in accordance with a resolution of the Directors.

DATED at Perth this 22nd day of February 2023

Raleigh Finlayson
Managing Director

To the Board of Directors,

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

As lead audit director for the review of the financial statements of Genesis Minerals Limited for the period ended 31 December 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- any applicable code of professional conduct in relation to the review.

Yours Faithfully

Hall Chadwick

HALL CHADWICK WA AUDIT PTY LTD

D M BELL CA
Director

Dated this 22nd day of February 2023
Perth, Western Australia

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

	Note	Consolidated 31 December 2022 $'000	31 December 2021 $'000
Revenue	3	**43,878**	-
Cost of goods sold	4	**(40,703)**	-
Gross profit/(loss)		**3,175**	-
Corporate employee expenses	4	**(1,914)**	(845)
Share-based employee expense		**(4,529)**	(24,268)
Finance costs	4	**(679)**	(13)
Finance income		**654**	10
Exploration and growth		**(16,948)**	(7,132)
Other expenses	4	**(6,716)**	(787)
Loss on revaluation of investment in subsidiary	4	**(10,060)**	-
Profit / (Loss) before income tax		**(37,017)**	(33,035)
Income tax (expense) / benefit	5	**-**	-
Net profit / (loss) for the period attributable to the members of the parent entity		**(37,017)**	(33,035)
Other comprehensive income for the period, net of tax		**-**	-
Total comprehensive profit / (loss) for the period attributable to the members of the parent entity		**(37,017)**	(33,035)
Attributable to:			
Equity holders of the parent		**(36,065)**	(33,035)
Non-controlling interests		**(952)**	-
		(37,017)	(33,035)
Profit/(Loss) per share Basic and diluted earnings per share attributable to ordinary equity holders of the parent (cents per share)		**(10.87)**	(15.06)

The above condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	Note	Consolidated 31 December 2022 $'000	30 June 2022 $'000
Current assets			
Cash and cash equivalents	6	**121,191**	16,119
Receivables	7	**3,548**	243
Inventories	8	**11,773**	-
Total current assets		**136,512**	16,362
Non-current assets			
Property, plant and equipment	9	**77,341**	359
Right-of-use assets	10	**8,670**	-
Exploration and evaluation assets	11	**54,911**	22,017
Mine properties	12	**6,853**	-
Total non-current assets		**147,775**	22,376
Total assets		**284,287**	38,738
Current liabilities			
Trade and other payables	13	**23,047**	3,208
Provisions	14	**1,456**	198
Borrowings	15	**2,933**	-
Total current liabilities		**27,436**	3,406
Non-current liabilities			
Provisions	14	**46,835**	6,694
Borrowings	15	**6,208**	-
Deferred Tax Liability	16	**9,127**	-
Total non-current liabilities		**62,170**	6,694
Total liabilities		**89,606**	10,100
Net assets		**194,681**	28,638
Equity			
Issued capital	17	**277,233**	100,045
Reserves	17	**34,235**	30,067
Accumulated losses		**(137,539)**	(101,474)
Equity attributable to equity holders of the parent		**173,929**	28,638
Non-controlling interests		**20,752**	-
Total equity		**194,681**	28,638

The above condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

	Note	Issued capital	Share-based payments Reserve	Consolidated Transactions with non-controlling interests reserve	Accumulated losses	Total	Non-controlling interests	Total equity
		$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 July 2021		**76,971**	**2,058**	-	**(55,120)**	**23,909**	-	23,909
Loss for the period		-	-	-	(33,035)	(33,035)	-	(33,035)
Other comprehensive income		-	-	-	-	-	-	-
Total comprehensive loss for the period		-	-	-	(33,035)	(33,035)	-	(33,035)
Shares issued		22,518	-	-	-	22,518	-	22,518
Share issue costs		(768)	-	-	-	(768)	-	(768)
Share-based payments expense		-	24,268	-	-	24,268	-	24,268
Balance at 31 December 2021		**98,721**	**26,326**	-	**(88,155)**	**36,892**	**-**	**36,892**
				-				
Balance at 1 July 2022		**100,045**	**30,067**	-	**(101,474)**	**28,638**	**-**	**28,638**
Loss for the period		-	-	-	(36,065)	(36,065)	(952)	(37,017)
Other comprehensive income		-	-	-	-	-	-	-
Total comprehensive loss for the period		-	-	-	(36,065)	(36,065)	(952)	(37,017)
Shares issued	**17**	180,628	-	-	-	180,628	-	180,628
Share issue costs	**17**	(3,440)	-	-	-	(3,440)	-	(3,440)
Share-based payments expense		-	4,529	-	-	4,529	-	4,529
Non-controlling interests arising on a business combination	**2**	-	-	-	-	-	41,846	41,846
Acquisition of non-controlling interests	**2**	-	-	(361)	-	(361)	(20,142)	(20,503)
Balance at 31 December 2022		**277,233**	**34,596**	**(361)**	**(137,539)**	**173,929**	**20,752**	**194,681**

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes

GENESIS MINERALS LIMITED

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

	Note	Consolidated 31 December 2022 $'000	31 December 2021 $'000
Cash flows from operating activities			
Gold sales		**47,648**	-
Interest received		**525**	10
Interest paid		**(25)**	-
Payments for exploration and growth		**(18,025)**	(6,955)
Payments to suppliers and employees		**(43,840)**	(1,172)
Net cash (outflow) from operating activities		**(13,717)**	(8,117)
Cash flows from investing activities			
Payments for exploration and evaluation assets		**(4,519)**	(845)
Payments for mine properties expenditure		**(1,565)**	-
Payments for plant and equipment		**(420)**	(86)
Proceeds from disposal of assets		**8**	-
Acquisition of subsidiary, net of cash acquired		**26,665**	-
Net cash inflow/(outflow) from investing activities		**20,169**	(931)
Cash flows from financing activities			
Proceeds from issue of share capital		**99,740**	22,068
Share issue transaction costs		**(460)**	(203)
Repayment of borrowings		**-**	-
Proceeds from borrowings		**-**	-
Transaction costs associated with borrowings		**(3)**	-
Repayment of lease liabilities		**(657)**	-
Net cash inflow from financing activities		**98,620**	21,865
Net increase/(decrease) in cash and cash equivalents		**105,072**	12,817
Cash and cash equivalents at the beginning of the period	6	**16,119**	10,966
Cash and cash equivalents at the end of the period	6	**121,191**	23,783

The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

Note 1 Basis of preparation and accounting policies

(a) Basis of preparation

The interim consolidated financial statements of Genesis Minerals Limited and its subsidiaries (collectively referred to as the "Group") for the six months ended 31 December 2022 have been prepared in accordance with Accounting Standard AASB134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This half year financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2022 and any public announcements made by Genesis Minerals Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except as referred to in note 1(b) below.

The interim consolidated financial statements were approved by the Board of Directors on the 22nd of February 2023.

(b) New and amended accounting standards and policies adopted by the Group

Pursuant to Genesis Minerals Limited acquiring Dacian Gold Limited (refer to note 2) the Group has adopted a number of new accounting policies including dealing with gold sales, gold forward contracts delivery, costs of production, depreciation and amortisation, borrowing and finance costs, inventories, leases and mine properties. Details of these policies are set out in the notes to the financial statements.

Apart from the above, the accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the company's annual financial report for the financial year ended 30 June 2022. Comparatives are reclassified by the adoption of policies now relevant to the Group, however, there has been no financial effect from adoption of these policies on the comparatives.

These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

(c) Use of judgements and estimates

In preparing these interim financial statements, the Company's management have made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

Apart from the new accounting policies referred to in note 1(b) above, the significant judgements made by the Company's management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last financial statements.

Note 2 Business combination and acquisition of non-controlling interests

Accounting Policy

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the: fair values of the assets transferred; liabilities incurred to the former owners of the acquired business; equity interests issued by the Group; fair value of any asset or liability resulting from a contingent consideration arrangement; and fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The application of acquisition accounting requires significant judgement and estimates to be made, which are discussed below. The Group engages independent third parties to assist with the determination of the fair value of assets acquired, liabilities assumed, non-controlling interest, if any, and goodwill, based on recognised business valuation methodologies.

Note 2 Business combination and acquisition of non-controlling interests (continued)

The income valuation method represents the present value of future cash flows over the life of the asset using:

- financial forecasts, which rely on managements estimates of reserve quantities and exploration potential, costs to produce and develop reserves, revenues, and operating expenses;
- long-term growth rates;
- appropriate discount rates; and
- expected future capital requirements.

The market valuation method uses prices paid for a similar asset by other purchasers in the market, normalised for any differences between the assets.

The cost valuation method is based on the replacement cost of a comparable asset at the time of the acquisition adjusted for depreciation and economic and functional obsolescence of the asset and estimates of residual values.

The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred and the amount of any non-controlling interest in the acquiree over the acquisition date fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.

If the initial accounting for the business combination is not complete by the end of the reporting period in which the acquisition occurs, an estimate will be recorded. Subsequent to the acquisition date, but not later than one year from the acquisition date, the Group will record any material adjustments to the initial estimate based on new information obtained that would have existed as of the date of the acquisition.

Acquisition of Dacian Gold Limited

On 5 July 2022, Genesis Minerals Limited (**Genesis** or **GMD**) announced its intention to acquire Dacian Gold Limited (**Dacian** or **DCN)** by way of a unanimously recommended off-market takeover bid by Genesis for all of the fully paid ordinary shares in Dacian (**Dacian Shares**) (**Offer**).

Under the Offer, subject to the satisfaction or waiver of various conditions, Dacian Shareholders were entitled to receive 0.0843 fully paid ordinary shares in Genesis (**Genesis Shares**) for every 1 Dacian Share held (**Offer Consideration**).

On 21 September 2022, Genesis announced it had acquired a relevant interest in a majority of the voting shares in Dacian. Accordingly, with the Offer being unconditional, Genesis had acquired control of Dacian effective on 21 September 2022 with a relevant interest of 57.73%. Since obtaining control, Genesis progressively increased its interest in Dacian to hold a relevant interest of 77.16% as at 31 December 2022. The Offer for Dacian closed on 20 February 2023 with Genesis holding a relevant interest of 80.08%.

Genesis measured the non-controlling interest in Dacian at the proportionate share of its interest in Dacian's identifiable net assets.

The fair value of the identifiable assets and liabilities of Dacian as at the date of acquisition of 21 September 2022 were as follows:

Note 2 Business combination and acquisition of non-controlling interests (continued)

	Fair value recognised on acquisition $'000
Cash and cash equivalents	39,254
Receivables	2,201
Inventories	21,659
Property, plant and equipment	83,503
Right-of-use assets	9,311
Exploration and evaluation assets	26,385
Mine properties	7,215
Deferred hedging assets	1,260
Total assets	190,788
Trade and other payables	33,680
Provisions – employee leave liabilities	1,723
Provisions - rehabilitation	37,449
Borrowings	9,805
Deferred tax liability	9,127
Total liabilities	91,784
Total identifiable net assets at fair value	99,004
Non-controlling interest	41,846
Purchase consideration transferred	57,158

	Cash flow on acquisition $'000
Net cash acquired with the subsidiary	39,254
Cash paid on initial placement in Dacian	(12,589)
Net cash flow on acquisition	26,665

The net assets recognised in the 31 December 2022 financial statements have been based on a provisional assessment of their fair value in accordance with AASB 3. Genesis has 12 months from the date of acquisition to finalise the fair values of the net assets acquired.

From 21 September 2022 to 31 December 2022, Genesis acquired an additional 19.43% interest in Dacian, increasing its ownership interest to 77.16%. The additional interest acquired in Dacian is as follows:

	$'000
Purchase consideration transferred	20,142
Carrying value of additional investment in Dacian	(20,503)
Difference recognised in transactions with non-controlling interests reserve	(361)

The financial results of Dacian have been consolidated into the Genesis group for the first time as from 21 September 2022. The acquisition of Dacian contributed revenue of $43.87 million and a gross profit of $3.17 million for the relevant period.

Note 3 Revenue

Accounting Policies

Gold Sales

Under AASB 15, revenue is recognised when a customer obtains control of the goods or services. Determining the timing of the transfer of control requires judgement. With the sale of gold bullion, this occurs when physical bullion, from a contracted sale, is transferred from the Company's account into the account of the buyer.

Note 3 Revenue (continued)

	31 December 2022 $'000	31 December 2021 $'000
Revenue from contracts with customers		
Gold Sales	**43,780**	-
Silver Sales	**98**	-
	43,878	-

Gold forward contracts delivery commitments

The Group enters into gold forward sale contracts and put options to manage the gold price of a proportion of gold sales. At 31 December 2022 there were no put options in place. The treatment of forward sale contracts is discussed further below.

The forward sale contracts are settled by the physical delivery of gold as per the contract terms. The gold forward sale contracts are accounted for as gold sales contracts with revenue recognised once the gold has been delivered to the counterparties. Consistent with the gold sales revenue recognition policy, the physical gold delivery contracts are considered to sell a non-financial item and therefore do not fall within the scope of AASB 9: Financial Instruments. At 31 December 2022 there were no forward sale contracts in place.

Note 4 Expenses

Accounting Policies

Costs of production

Cash costs of production is a component of cost of goods sold and includes direct costs incurred for mining, processing and mine site administration, net of costs capitalised to mine properties, pre-strip and production stripping assets. This category also includes movements in the cost of inventory.

	31 December 2022 $'000	31 December 2021 $'000
Cost of goods sold		
Costs of production	**30,834**	-
Royalties	**853**	-
Depreciation of mine plant and equipment	**7,970**	-
Amortisation of mine properties	**1,046**	-
	40,703	-

Depreciation & Amortisation

Depreciation is calculated on units of production, straight-line or written down value basis over the estimated useful life of the assets as follows:

Class of Fixed Asset	Useful Life
▪ Office equipment and fixtures	3 - 4 years
▪ Computer equipment & software	2 - 4 years
▪ Motor Vehicles	3 years
▪ Plant and equipment	3 - 10 years / units of production

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

Mine properties are amortised on a unit-of-production basis over the reserve of the relevant mining area. The unit of account is tonnes of ore mined.

Note 4 Expenses (continued)

	31 December 2022 $'000	31 December 2021 $'000
Depreciation and Amortisation		
Depreciation expense – recognised in cost of goods sold	**7,970**	-
Depreciation expense – other	**168**	29
Amortisation expense	**1,046**	-
	9,184	29

Key estimates and assumptions

Unit-of-production method of depreciation/amortisation

The Group uses the unit-of-production basis when depreciating / amortising life-of-mine specific assets which results in a depreciation / amortisation charge proportionate to the depletion of the anticipated remaining life-of-mine production. Each item's economic life, which is assessed annually, has due regard for both its physical life limitations and to present assessments of the available reserve of the mine property at which it is located.

Borrowings and finance costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their use or sale. Other borrowing costs are expensed in the period in which they are incurred.

	31 December 2022 $'000	31 December 2021 $'000
Unwind of rehabilitation and restoration provision discount	**566**	13
Transaction costs	**12**	-
Interest expense on borrowings	**101**	-
	679	13

Employee expenses

Corporate Employee expenses		
Salaries and wages	1,245	505
Director fees and consulting expenses	127	75
Superannuation	294	154
Other employment expenses	248	111
	1,914	845

Other expenses

Other expenses		
Costs associated with Dacian takeover	**2,656**	-
Administration & corporate	**3,892**	758
Non-production depreciation	**168**	29
	6,716	787

Loss on revaluation of investment in subsidiary

Loss on remeasurement of the carrying value of the pre-control interest held in Dacian Gold Limited using the closing share price of Genesis Minerals at the date of control on 21 September 2022 of $0.965	**10,060**	-
	10,060	-

Note 5 Income tax

Income Statement

Income tax expense for the period is $nil (31 December 2021: $nil).

Note 6 Cash and cash equivalents

	31 December 2022 $'000	30 June 2022 $'000
Cash at bank	**72,631**	16,099
Short-term deposits	**48,560**	20
	121,191	16,119

Note 7 Receivables

	31 December 2022 $'000	30 June 2022 $'000
GST receivable	**1,714**	76
Prepayments	**1,565**	117
Other receivables	**269**	50
	3,548	243

Note 8 Inventories

Accounting Policy

Gold bullion, gold-in-circuit and ore stockpiles are physically measured or estimated and valued at the lower of cost and net realisable value. Cost is determined by the weighted average method and comprises direct costs and an appropriate portion of fixed and variable overhead costs, including depreciation and amortisation, incurred in converting ore into gold bullion. Net realisable value ("NRV") is the estimated selling price in the ordinary course of business (including delivery into scheduled hedges), less estimated costs of completion, depreciation, amortisation and the costs of selling the final product, including royalties.

Consumable stores are valued at the lower of cost and net realisable value. The cost of consumable stores is measured on a first-in first-out basis. Inventories expected to be sold (or consumed in the case of stores) within 12 months after reporting date are classified as current assets, all other inventories are classified as non-current.

	31 December 2022 $'000	30 June 2022 $'000
Crushed ore	**164**	-
Gold in circuit(i)	**3,052**	-
Gold dore(i)	**3,943**	-
Mine spares and stores – cost	**4,897**	-
Provision for obsolescence(ii)	**(283)**	-
	11,773	-

(i) At 31 December 2022, ROM stocks, dore and gold in circuit was carried at net realisable value.
(ii) A provision for obsolescence for low value consumables maintained in the stores area was raised at 31 December 2022

Note 8 Inventories (continued)

Key Estimates and Assumptions

Inventories

Net realisable value tests are performed at each reporting date and represent the estimated future sales price of the product based on the lower of the prevailing spot metals price or anticipated gold price realised from delivery into forward gold sales contracts at the reporting date, less estimated costs to complete production and bring the product to sale, including depreciation and amortisation.

Stockpiles are measured by estimating the number of tonnes added and removed from the stockpile, the number of contained gold ounces based on assay data, and the estimated recovery percentage. Stockpile tonnages are verified by periodic surveys.

Note 9 Property, plant and equipment

Accounting Policy

The value of property, plant and equipment is measured as the cost of the asset, less accumulated depreciation and impairment. The cost of the asset also includes the cost of replacing parts that are eligible for capitalisation, the cost of major inspections and an initial estimate of the cost of dismantling and removing the item from site at the end of its useful life (rehabilitation provisions). Changes in the rehabilitation provisions resulting from changes in the size or timing of the cost or from changes in the discount rate are also recognised as part of the asset cost.

Derecognition and disposal

An item is derecognised when it is sold or otherwise disposed of, or when its use is expected to bring no further economic benefits. Any gain or loss from derecognising the asset (the difference between the proceeds on disposal and the carrying amount of the asset) is included in the income statement in the period the item is derecognised.

Impairment

The carrying values are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

	31 December 2022 $'000	30 June 2022 $'000
Cost	**84,208**	491
Accumulated depreciation	**(6,867)**	(132)
Net Book Value	**77,341**	359
Movements:		
Opening net book value	**359**	245
Acquisition of subsidiary	**83,503**	-
Additions	**297**	190
Disposals	**(14)**	-
Depreciation expense	**(6,804)**	(76)
Closing net book value	**77,341**	359

Note 10 Right-of-use assets

Accounting Policy

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Note 10 Right-of-use assets (continued)

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment.

The Group has lease contracts for various items of laboratory equipment and power infrastructure used in its operations as well as the corporate head office premises. These leases have lease terms up to 5 years. The net book value of leased assets at 31 December 2022 is $8.7 million (30 June 2022: $nil).

The Group also has certain leases of assets with lease terms of 12 months or less for equipment for which the assets are of low value and applies the short-term lease and lease of low-value assets recognition exemptions.

	31 December 2022 $'000	30 June 2022 $'000
Cost	9,311	-
Accumulated depreciation	(641)	-
Net Book Value	8,670	-
Movements:		
Opening net book value	-	-
Acquisition of subsidiary	9,311	-
Depreciation expense	(641)	-
Closing net book value	8,670	-

Note 11 Exploration and evaluation assets

	31 December 2022 $'000	30 June 2022 $'000
Opening carrying amount	22,017	23,353
Acquisition of subsidiary	26,385	-
Additions – acquisition of mineral tenements	9	129
Acquisition of vendor royalty[1]	6,500	-
Adjustments to rehabilitation liability recorded at acquisition – unused amount reversed (see note 14)	-	(1,419)
Disposals	-	(46)
Closing net book value	54,911	22,017

[1] Purchase of vendor royalty on the Ulysses Gold Project for consideration of $4.5 million cash plus 1.7 million new fully paid ordinary shares in Genesis valued at $2 million.

Note 12 Mine properties

Accounting Policies

Mine properties under development

Mine properties under development represents the costs incurred in preparing mines for production and includes plant and equipment under construction and operating costs incurred before normal production commences. These costs are capitalised to the extent they are expected to be recouped through the successful exploitation of the related mining leases. Once production commences, these costs are transferred to property, plant and equipment and mine properties, as relevant, and are depreciated and amortised using the units-of-production method based on the estimated economically recoverable reserve to which they relate or are written off if the mine property is abandoned.

Mine Properties in Production

Other mine properties represent expenditure in respect of exploration, evaluation, feasibility and pre-production operating costs incurred by the Group previously accumulated and carried forward in mine properties under development in relation to areas of interest in which mining has now commenced. Other mine properties are stated at cost, less accumulated amortisation and accumulated impairment losses.

Other mine properties are amortised on a unit-of-production basis over the economically recoverable reserve of the mine concerned. The unit of account is tonnes of ore mined.

Deferred stripping

Stripping activity costs incurred in the development phase of an open pit mine are capitalised as part of the cost of constructing the mine and subsequently amortised over the life of the mine on a units-of-production basis.

Stripping activity incurred during the production phase of a mine is assessed as to whether the benefit accruing from that activity is to provide access to ore that can be used to produce ore inventory, or whether it in addition provides improved access to ore that will be mined in future periods.

To the extent that the benefit from the stripping activity is realised in the form of inventory produced, the Group accounts for those stripping activity costs in accordance with AASB 102 *Inventories*. A stripping activity asset is brought to account if it is probable that future economic benefits (improved access to that ore body) will flow to the Group, the component of the ore body for which access has been improved can be identified and costs relating to the stripping activity can be measured reliably.

The amount of stripping activity costs that are capitalised is determined based on a comparison of the stripping ratio in the relevant period with the life-of-mine stripping ratio. To the extent that there is a period of sustained stripping that exceeds the average life-of-mine stripping ratio, mine waste stripping costs are capitalised to the stripping activity asset. Such capitalised costs are amortised over the life of that component on a units-of-production basis. Changes to the life-of-mine are accounted for prospectively.

Impairment

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of its fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing the fair value less cost of disposal, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the cash generating unit.

Note 12 Mine properties (continued)

It is reasonably possible that the underlying metal price assumption may change which may then impact the estimated life of mine determinant and may then require a material adjustment to the carrying value of mining plant and equipment, mining infrastructure and mining development assets. Furthermore, the expected future cash flows used to determine the fair value less cost of disposal of these assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including reserves and production estimates, together with economic factors such as metal spot prices, discount rates, estimates of costs to produce reserves and future capital expenditure.

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount.

That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at the re-valued amount, in which case the reversal is treated as a re-valuation increase.

After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

	31 December 2022 $'000	30 June 2022 $'000
Opening carrying amount	-	-
Acquisition of subsidiary	7,215	-
Additions	684	-
Amortisation expense	(1,046)	-
Closing net book value	6,853	-

Key Estimates and Assumptions

Production Stripping Costs

The Group defers advanced stripping costs incurred during the production stage of its operations. This calculation requires the use of judgements and estimates, such as estimates of tonnes of waste to be removed over the life of the mining area and economically recoverable reserves extracted as a result. Changes in a mine's life and design may result in changes to the expected stripping ratio (waste to mineral reserves ratio) and amortisation which is calculated on a units of production basis. Any resulting changes are accounted for prospectively.

Determination of mineral resources and reserves

The Group uses the concept of life-of-mine as an accounting value to determine the amortisation of mine properties in production and deferred stripping costs. In determining life-of-mine, the Group prepares ore resource and reserve estimates in accordance with JORC Code 2012, guidelines prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia. The estimate of these resources and ore reserves, by their very nature, require judgements, estimates and assumptions.

There are numerous uncertainties inherent in estimating mineral resources and ore reserves, and assumptions that are valid at the time of estimation may change significantly when new information becomes available.

Changes in the forecast prices of commodities, exchange rates, production costs or recovery rates may change the economic status of reserves and may ultimately result in reserves being restated.

Note 13 Trade and other payables

	31 December 2022 $'000	30 June 2022 $'000
Trade and other payables	**5,318**	2,235
Accrued expenses	**17,729**	973
	23,047	3,208

Note 14 Provisions

	31 December 2022 $'000	30 June 2022 $'000
Current:		
Employee leave liabilities	**1,406**	148
Rehabilitation provision	**50**	50
	1,456	198
Non-current:		
Employee leave liabilities	**426**	-
Rehabilitation provision	**46,409**	6,694
	46,835	6,694
Provision for rehabilitation		
Balance at the start of the financial year	**6,694**	8,100
Acquisition of subsidiary	**37,449**	-
Unused amounts reversed during period (see note 11)	**-**	(1,419)
Provisions recognised during the year	**1,700**	-
Unwinding of discount	**566**	13
Balance at the end of the financial year	**46,409**	6,694

Note 15 Borrowings

Accounting Policies

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of borrowings using the effective interest rate method.

Fees paid on establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the drawdown occurs and amortised over the period of the remaining facility.

Finance leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Note 15 Borrowings (continued)

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group applies the short-term lease recognition exemption to its short-term leases of equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

	31 December 2022 $'000	30 June 2022 $'000
Current:		
Lease Liabilities	**2,733**	-
Bank Loan	**200**	-
	2,933	-
Non-Current:		
Lease Liabilities	**6,208**	-
	6,208	-

Bank loan

During the half year the debt facility held with Australia and New Zealand Banking Group Limited was restructured to defer the final debt repayment of $200,000 due 30 December 2022 until 30 June 2023.

The debt facility contains typical financial covenants assessed periodically and is secured over all of assets of Dacian Gold Limited and its wholly owned subsidiaries, Dacian Gold Mining Pty Ltd and Mt Morgans WA Mining Pty Ltd. The effective interest rate on the facility at 31 December 2022 is 5.185% (30 June 2022 is 3.94%). Maturity date is 30 June 2023.

Note 16 Deferred tax liability

	31 December 2022 $'000	30 June 2022 $'000
Non-current liability – balance on acquisition of subsidiary	**9,127**	-
	9,127	-

Note 17 Issued capital and reserves

(a) Issued Capital

	31 December 2022 No.	30 June 2022 No.	31 December 2022 $'000	30 June 2022 $'000
Issued share capital	**411,944,260**	252,235,487	**275,176**	100,045
Share movements during the year				
Balance at the start of the period	**252,235,487**	2,126,337,840	**100,045**	76,971
Takeover consideration	**68,617,455**	-	**75,824**	-
Share issues	**84,687,552**	354,515,729	**102,000**	21,271
Exercise of options	**2,795,435**	18,562,189	**2,804**	2,597
Exercise of performance rights	**3,608,331**	10,650,000	**-**	-
Share Consolidation 1:10 – 10 January 2021 (Total Pre-Consol)	**-**	(2,508,701,120)	**-**	-
Share Consolidation 1:10 – 10 January 2021 (Total Post-Consol)	**-**	250,870,849	**-**	-
Less share issue costs	**-**	-	**(3,440)**	(794)
Balance at the end of the period	**411,944,260**	252,235,487	**277,233**	100,045

(b) Reserves

Nature and purpose of reserves

i) Share-based payments reserve

The share-based payments reserve is used to recognise the fair value of options and performance rights issued. The movement in the reserve is reconciled as follows:

	31 December 2022 $'000	30 June 2022 $'000
Balance at the start of the period	**30,067**	2,058
Recognition of share-based payments for options and performance rights	**4,529**	28,009
Balance at the end of the period	**34,596**	30,067

ii) Transactions with non-controlling interests reserve

Transactions with non-controlling interests reserve is used to recognise transactions with non-controlling interests that do not result in a loss of control. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and the consideration paid or received is recognised in the reserve. The movement in the reserve is reconciled as follows:

	31 December 2022 $'000	30 June 2022 $'000
Balance at the start of the period	**-**	-
Recognition of adjustment on acquisition of ownership interest in Dacian Gold Limited (refer note 2)	**(361)**	-
Balance at the end of the period	**(361)**	-

Note 18 Operating segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors in assessing performance and determining the allocation of resources.

Reportable segments disclosed are based on aggregating operating segments, where the segments have similar characteristics. The Group's sole activity is mineral production, exploration and development wholly within Australia; therefore it has aggregated all operating segments into the one reportable segment being mineral production, exploration and development.

The reportable segment is represented by the primary statements forming these financial statements.

Note 19 Commitments & contingencies

As part of the terms of the acquisition of the Ulysses Gold Project, the Group agreed to the following terms:

- Deferred consideration of $10.00 per dry metric tonne of ore product from the tenements which is treated through a toll treatment plant for the first 200,000 DMT of ore processed, to a maximum of $2 million. 52,653 dry metric tonnes of ore product from the Ulysses Gold Project has been processed to date; and
- 1.2% of the Net Smelter Return generated from the sale of any product from the tenement area, after 200,000 of dry metric tonnes of ore product from the tenements has been treated through a toll treatment plant.

During the half-year, Genesis purchased the deferred consideration and royalty for consideration of $4.5 million cash plus 1.7 million new fully paid ordinary shares in Genesis valued at $2 million. The total value of the purchase of the royalty of $6.5 million has been capitalised to exploration & evaluation assets.

Following the purchase, the residual royalties applying to the Ulysses mine will be the standard Western Australian State gold royalty of 2.5% plus 0.9% NSR payable to International Royalty Corporation.

During half-year, Genesis acquired control of Dacian Gold Limited. The acquisition of Dacian has not materially increased the Group's commitments and contingencies.

Note 20 Controlled entities

(a) Controlled Entities

	Ownership Interest	
	31 December 2022 %	30 June 2022 %
Parent Entity		
Genesis Minerals Limited		
Subsidiaries		
Dacian Gold Limited	77.16	-
Dacian Gold Mining Pty Ltd(i)	77.16	-
Genesis Mining Services Pty Ltd(ii)	100	-
Metallo Resources Pty Ltd	100	100
Mt Morgans WA Mining Pty Ltd(i)	77.16	-
Redcliffe Project Pty Ltd(i), (iii)	77.16	-
Ulysses Mining Pty Ltd	100	100

(i) Entities are wholly owned subsidiaries of Dacian Gold Limited
(ii) Entity wholly owned by Genesis Minerals Limited
(iii) Redcliffe Project Pty Ltd (previously NTM Gold Limited)

Note 20 Controlled entities (continued)

(b) Guarantees entered into by companies within the Group in relation to the debts of its subsidiaries.

Pursuant to ASIC Corporations (Wholly owned Companies) Instrument 2016/785, Dacian Gold Limited (**Dacian**) and its wholly owned subsidiaries entered into a deed of cross guarantee on 23 May 2022 (the Guarantee). The effect of the Guarantee is that Dacian has guaranteed to pay any deficiency in the event of winding up of any controlled entity which is a party to the Guarantee or if they do not meet their obligations under the terms of any debt subject to the Guarantee. The controlled entities which are parties to the Guarantee have given a similar guarantee in the event that Dacian is wound up or if it does not meet its obligations under the terms of any debt subject to the Guarantee.

Note 21 Events subsequent to the reporting date

On 30 January 2023, Dacian announced its decision to transition to explorer/developer and place the Mt Morgans processing plant on care and maintenance towards the end of the March 2023 quarter.

The Offer for Dacian closed on 20 February 2023 with Genesis holding a relevant interest of 80.08%.

Other than the above there has not arisen in the interval between the end of the reporting period and the date of this report, any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company to affect substantially the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

GENESIS MINERALS LIMITED

DIRECTORS' DECLARATION

In the opinion of the Directors of Genesis Minerals Limited (the 'Company'):

a. The financial statements and notes of Genesis Minerals Limited for the half-year ended 31 December 2022 are in accordance with the *Corporations Act 2001*, including:
   i. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
   ii. giving a true and fair view of the consolidated entity's financial position as at 31 December 2022 and of its performance for the half-year ended on that date;
b. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors.

DATED at Perth this 22nd day of February 2023

Raleigh Finlayson
Managing Director

INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF GENESIS MINERALS LIMITED

Conclusion

We have reviewed the accompanying half-year financial report of Genesis Minerals Limited ("the Company") and Controlled Entities ("the Consolidated Entity") which comprises the condensed consolidated statement of financial position as at 31 December 2022, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Genesis Minerals Limited and Controlled Entities does not comply with the *Corporations Act 2001* including:

a. Giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and

b. Complying with Accounting Standard AASB 134: *Interim Financial Reporting* and *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001 which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

HALL CHADWICK

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB *134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Hall Chadwick

HALL CHADWICK WA AUDIT PTY LTD

D M BELL CA
Director

Dated this 22nd day of February 2023
Perth, Western Australia